

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, Executive Director

Brenna L. Robinson, Portfolio Manager

Hon. Thomas P. DiNapoli
Comptroller of the State of New York
110 State Street
Albany, New York 12236

Hon. MaryBeth Labate, Director
Division of Budget
254 Washington Ave.
Albany, New York 12224

Hon. David Kidera, Director
New York State Authorities Budget Office
PO Box 2019
Albany, New York 12220-0076

Hon. John J. Flanagan
Office of Temporary President of the
New York State Senate
State Capitol
Washington Ave & State St.
Albany, NY 12242

Hon. Carl E. Heastie
Speaker of the New York State Assembly
State Capitol
Washington Ave & State St.
Albany, NY 12242

Hon. RoAnn M. Destito
Commissioner
Office of General Services
Corning Tower
Empire State Plaza
Albany, New York 12242

**RE: Kingston Local Development Corporation
Notice of Disposition of Property by Negotiation**

To Whom It May Concern:

Pursuant to Section 2897(6)(d) of the New York State Public Authorities Law ("PAL"), the following explanatory statement is being provided at least 90 days prior to the disposal of property by negotiation.

EXPLANATORY STATEMENT

The proposed disposition of real property (the "Disposition", as further described herein) is within the purpose and mission of the Kingston Local Development Corporation (the "KLDC") as an established non-profit agency under Section 402 & 4011 of the Not-For-Profit Corporation Law governed under Article 14 §1411 of the Not-For-Profit Corporation Law.

The KLDC purchased the property located at 635 Broadway, Kingston NY, a former bank building from Bank of America, National Association for \$1.00 in January 2013. The City's Business, Educational, Arts and Technology (B.E.A.T.) and Midtown Revitalization Plans at that time included moving the police station to the central part of the City whereas the building was to be renovated and house the Kingston Police Department which is currently located on Garraghan Drive, Kingston, NY. Should the new police station have come to fruition, the Courts were also looking to expand in what is currently the police station. Unfortunately, The KLDC had many loans in default over a period of years and had to write off approximately \$1M leaving no funding available for the project. In addition, a prior Community Development Director spent in error \$500,000 of CDBG funds that would have been allocated to the project.

Therefore, for the aforementioned reasons, since the acquisition of the property, the direction of that corridor has evolved and the costs to the taxpayers of the City would grow astronomically due to the expenditures of renovations that would be required of the New York State Court System. After several meetings, the KLDC

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Board of Directors voted to have the building appraised and to publicly put the building on the market, thus putting the property back on the City tax rolls.

The KLDC received an offer for the building and based on the project the proposed buyer presented to the Board, the Board felt this would be an appropriate mixed use project for the Disposition of Property. The project will have an investment of approximately \$500K -\$600K and entail the following: conversion of the 2nd floor into office suites and using the first floor for commercial space for a restaurant and renovating the façade of the building and landscaping of property.

In accordance with the applicable provisions of the PAL and Policy Guidance No. 14-01 issued by the State of New York Authorities Budget Office, the following details regarding the Disposition are provided:

- (1) Description of the parties involved in the Disposition:
Seller: Kingston Local Development Corporation
Buyer: CB Developers, LLC
- (2) Justification for disposing Property by Negotiation:
The KLDC's mission is to stimulate investment within the City of Kingston that results in quality of life and economic sustainability for its residents and to encourage location expansion of industrial, manufacturing, and commercial capacity and the creation and retention of job opportunities. The project has been identified as a suitable fit for location, quality of life and economic sustainability.
- (3) Identification of Property:
Location of building is at 635 Broadway, Kingston, NY and parking lot is located at 644-648 Broadway, Kingston, NY. The building has a total approximate 9,550 sq. ft. of gross floor area with an included 73.00 x 200.00 parking lot located across the street.
- (4) Estimated Fair Market Value of the Property:
The KLDC previously obtained and maintain several valuations and an Appraisal Report relating to building and parking lot. The estimated Fair Market Value of said properties was determined to be \$375,000.
- (5) Proposed Sale Price of the Property:
The property was marketed for \$375,000 and after negotiations involving lead and asbestos remediation costs, brought the property to an agreed selling price of \$340,000.
- (6) Size of Property:
Refer to (3)
- (7) Expected Date of Sale of the Property:

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Pursuant to and in accordance with the KLDC, and subject to the applicable governmental approvals and permitting timeframes, the KLDC reasonably expects that a Closing will occur during the month of October, 2015.

Should you have any questions relating to the proposed Disposition of Property, you may direct them to:

Kingston Local Development Corporation

ATTN: Hon. Shayne R. Gallo

420 Broadway

Kingston, NY 12401

Sincerely,



Shayne R. Gallo

President

Cc: KLDC Board of Directors
George W. Redder, Counsel