

Golden Hill Local Development Corporation
Minutes of the Board of Directors

Date: June 6, 2012

Time: 6:30 PM

Place: Legislative Chambers, 6th Floor
County Office Building, 244 Fair Street, Kingston, NY

Members Present: Marshall Beckman
Michael Bernholz
James Hanson
Michele Iannuzzi (excused until 6:40 PM)
Jeanette Provenzano
Robert Sudlow
Dare Thompson

Others Attending: Clinton G. Johnson, Esq., First Assistant Ulster County Attorney
Justin S. Miller, Esq., Harris Beach, PLLC
Frank Reggero, Ulster County Legislature Budget Analyst
Amy Borden, Paralegal

1. Call the Meeting to Order

Chairwoman Thompson called the meeting to order at 6:35 PM.

2. Minutes of the May 23, 2012 Meeting

Approval of the minutes was called by D. Thompson. M. Beckman made a motion to accept the minutes of the May 23, 2012 meeting. R. Sudlow seconded the motion. D. Thompson called the question. All approved (M. Iannuzzi was absent for the vote).

3. Executive Session

M. Beckman made a motion to move into Executive Session. J. Hanson seconded the motion. D. Thompson called the question. All approved (M. Iannuzzi was absent for the vote). Executive Session began at 6:36 PM; M. Iannuzzi arrived at 6:40 PM. Executive Session ended at 7:43 PM.

4. Old Business

a. Lease and Leaseback Agreements

Mr. Miller discussed the Lease and Leaseback agreements. He explained that the Lease with the Exclusive Option to Purchase allows for the LDC to lease, from the County, a parcel of land containing the facility. The Leaseback Agreement allows for the County to continue operating the facility by leasing it back from the LDC, at a nominal cost.

J. Hanson explained the financial terms of the Lease and the Leaseback, specifically the transfer of money between the LDC and the County. The County has budgeted money to support the operations of the LDC prior to the Bond issuance. J. Hanson used the example of a vendor submitting an invoice to the LDC. The LDC would submit that invoice to the County and the

County would pay additional rent in the exact amount of that invoice to the LDC. The LDC would then cut a check to pay the vendor. Under the Leaseback Agreement, the County will be reimbursed for its expenditures on behalf of the LDC at the time of the Bond Proceeds. At the end of the transition and sale of the facility, all proceeds will be turned over to the County.

M. Beckman made a motion for a resolution authorizing the execution and delivery of the Lease and Leaseback Agreements. J. Provenzano seconded the motion.

M. Iannuzzi made a motion to amend the resolution to include a revised insurance binder, noting that Board Members will be covered by insurance through the County once they hold assets as part of the Lease and Leaseback Agreements. J. Provenzano seconded the amendment. D. Thompson called the question. All approved the resolution, as amended.

b. Review of RFP

M. Beckman suggested clarifying that potential buyers are not required to build a new facility, as stated on page 8(e); rather, it is a consideration that the Board will weigh. Mr. Miller noted that it was part of the County's authorizing resolution, therefore it must be included. He further noted that the LDC has the obligation to examine and consider the construction of a new facility. J. Provenzano noted that language stating "examine and consider, where applicable" appears, indicating that each point is not necessarily binding.

M. Bernholz asked for clarification about Parcel 1 and Parcel 2. Mr. Johnson noted that Parcel 1 is the footprint of the facility. Parcel 2 is the 3.756 acres of vacant, adjacent land which is also available. Mr. Miller noted that the main offering is for Parcel 1, which includes the facility. M. Bernholz noted that the adjacent, vacant property is considered Parcel 2. M. Beckman clarified that offers for additional land would be considered but it is not required.

Mr. Miller stated that the RFP is almost ready for circulation. He noted that the Purchase and Sale Agreement, which is an Exhibit to the RFP, needs to be cleaned up.

c. Review of Offering Memorandum

R. Sudlow explained that purpose of the Offering Memorandum is to give potential bidders an extensive look at the facility and the area, including demographics and census data. M. Bernholz noted that some information still needs to be completed. R. Sudlow stated that the information had been provided to Marcus & Millichap, and he will ensure that they fill in the data.

M. Beckman made a motion to approve a resolution authorizing the issuance of marketing materials, including the Offering Memorandum, RFP, Purchase and Sale Agreement, and related documents, provided that all information is accurately portrayed. J. Provenzano seconded the motion. D. Thompson called the question. All approved.

d. Phase I Environmental Assessment Status

M. Bernholz inquired as to the status of the Phase I Environmental Assessment. J. Hanson said that the County's Departments of the Environment and Purchasing are currently soliciting bids. J. Hanson agreed to email information to the Board once it becomes available from those departments. He further noted that entering into the Lease and Leaseback Agreements were essential to moving forward with the Phase I Assessment.

R. Sudlow noted that he spoke with Marcus & Millichap about how extensive the assessment should be, it was recommended that the assessment be as thorough as possible. He reminded the Board that a resolution to allow for expenditures up to Four Thousand Dollars (\$4,000.00) for the Phase I Assessment was previously passed by the Board.

5. New Business

M. Beckman proposed that the Board set a schedule for certain activities. Discussion was had. The following dates, times and activities were agreed to by all members:

- **July 25, 1:00 PM to 3:00 PM**
Information exchange via telephone conference with Marcus & Millichap. No official business will be conducted. R. Sudlow will have Marcus & Millichap arrange the phone session for all members to dial in.

- **August 15, 2012, beginning at 10:00 AM.**
Review of the bid matrices as provided by Marcus & Millichap

- **August 20, 2012, 9:00 AM to 4:00 PM.**
Interviews with potential buyers.

The next Board meeting is not scheduled. The Board will call a meeting as necessary.

6. Adjournment

M. Beckman made a motion to adjourn. R. Sudlow seconded the motion. D. Thompson called the question. All approved. Meeting adjourned at 8:31 PM.

Respectfully submitted,

Amy Borden



J. Provenzano, Secretary



Date Approved