

LDC – Minutes

June 1, 2005

Bolton Local Development Corporations

Present: Ron Alcan, Scott Andersen, Buck Bryan, Maureen Donovan (Vice President, Warren County Economic Development Corp.), Leonard Fosbrook (President, Warren County Economic Development Corp.), Alexander G. Gabriels III, Jason Saris, Walter F. Lamb, Jr.

Absent: Richard Bartlett and LDC Counsel Michael Muller

REGULAR MEETING

Z. Gabriels called the regular meeting to order at 4:33 pm.

**EXECUTIVE SESSION: None**

**ANNOUNCEMENTS:**

- Even though there may be three (3) or more Town board members in attendance at the LDC meetings, the NYS Open Meetings Law bars members from discussion and certainly deciding any Town Business. Z. Gabriels said the LDC meetings are for LDC issues only.

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**PUBLIC IN ATTENDANCE:** There was no public in attendance.

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**COMMITTEE REPORTS:**

Saris: None

Alcan: None

Bartlett: None

Bryan: B. Bryan provided the Weekly Report of the Financial Analysis Committee to all LDC Members and Town Board Members in attendance.

Gabriels: None

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**OLD BUSINESS:**

Regarding the NYSDEC appraisal and other steps, Z. Gabriels said no written communication has been received yet.

Regarding the 30-day extension of the LDC contract with Mr. Lamb, Z. Gabriels said LDC Counsel asked for the extension.

Regarding Upstate Appraisals copy coming from David Kaiser, this item is pending.

Regarding David Kaiser, Z. Gabriels said (1) he and David Kaiser toured the Norowal Marina site on May 27, 2005, (2) David Kaiser indicated that the loan would be 5 years @ 4.5% which would be renewable every 5 years at a variable rate to be determined for a total of 20 years or 20 years fixed @ 5.5%, (3) there is a letter coming to the LDC in approximately two weeks. B. Bryan asked if the loan at the bank has been approved yet and Z. Gabriels answered, no.

Regarding the financial plan to Glens Falls National, TD Banknorth and Bank of America, this item is pending.

**NEW BUSINESS:**

Regarding the Warren County Economic Development Corporation, Z. Gabriels introduced Len Fosbrook, President and Maureen Donovan, Vice President of the Warren County Economic Development Corporation (WCEDC). Len Fosbrook said the WCEDC can potentially be an intermediary for the Norowal Acquisition. Maureen Donovan said (1) the WCEDC word with eh NYSDC on a number of different projects, (2) she knows the NYSDEC staff, (3) she spoke with Rob Davies and Fran Sheehan on 05/31/05 and was told the NYSDEC had sent all needed information to the appraiser and (4) it is a process for NYSDEC to get money. B. Bryan asked if the process has started, to which Maureen Donovan answered, yes. B. Bryan asked if the LDC can get a schedule from the NYSDEC, to which Maureen Donovan answered by saying (1) she will try to get a schedule from the NYSDEC and (2) 4-5 months is not an unrealistic timeframe for the process. J. Saris said (1) he doesn't argue that the NYSDEC has to go through a process, but the NYSDEC timeframe may not meet the LDC's contract deadline and (2) realistically, the LDC needs to create a Plan B for if the NYSDEC doesn't come through and needs to look for an intermediary lender. Maureen Donovan asked who the LDC requests information from at the NYSDEC, to which Z. Gabriels answered by saying, Stu Buchanan. J. Saris said (1) his understanding is that the NYSDEC can give the LDC higher levels of commitment as the process progresses, (2) the LDC needs a schedule to present to an interim lender and (3) he spoke with Lisa Nagles, who suggested OSI as a possible intermediary. Maureen Donovan (1) said OSI will want to own some property or have an easement and (2) asked who will be borrowing the money to purchase the marina. B. Bryan said the LDC will be borrowing the money to purchase the marina, unless there is a need to go to public referendum. S. Andersen said the original contract deadline date was July 8, 2005, but 30-day extensions, which are not automatic, may be available, upon Mr. Lamb's approval. J. Saris said (1) the LDC was given a November drop-dead date for closing and (2) Mr.

Lamb is retiring, so there will be someone else running the marina. Len Fosbrook asked (1) what the total purchase cost is and (2) why the LDC may have to go to referendum, to which Z. Gabriels answered by saying, (1) \$4.5 million and (2) if the LDC needs to borrow money from the Town of Bolton, the LDC would need taxpayer approval and would need to go to referendum. Z. Gabriels said David Kaiser (Glens Falls National Bank) expressed a firm commitment to him in conversation. Maureen Donovan said the LDC may be able to get a USDA secured wrap-on loan or a wrap-around mortgage and Z. Gabriels responded by saying he called regarding those items and has received no answer. Maureen Donovan (1) said she'd be happy to call the USDA on behalf of the LDC and (2) asked if the LDC had made a decision on having police or fire personnel presence at the site, because having some enforcement present could enable the LDC to receive a USDA Community Facility grant for approximately \$250K. Z. Gabriels said the LDC didn't approach or pursue enforcement of a fire presence at the site. L. Fosbrook asked if the LDC can pay back \$4.5 million of debt in five years, to which B. Bryan responded by saying, no, the terms of the loan would be for 20 years. Maureen Donovan said (1) regarding the USDA, the LDC would go right to the bank for this revenue and (2) she will contact David Kaiser directly on behalf of the LDC, if they would like. All LDC Members were in agreement that Maureen Donovan should contact David Kaiser directly regarding the USDA. Maureen Donovan said (1) the LDC can look at tax-exempt finance through the IDA, but she is not sure what the requirements would be. Z. Gabriels (1) he is trying to not get the Town's tax money involved, because that would involve a referendum, and (2) if the community votes no, it's done and the LDC won't get another shot. Len Fosbrook asked if the NYSDEC is aware of the LDC timeframe and B. Bryan answered, yes, they have been informed. Maureen Donovan said in her conversations with the NYSDEC, they are very interested, but the process takes time. J. Saris asked about the possibility of the NYSDEC looking for an intermediary lender and Maureen Donovan answered by saying (1) the EFC is a loan fund and they deal with water items, so that may be a potential intermediary and (2) she feels once the appraisal comes back, the NYSDEC process will be moving forward. . Bryan asked if the NYSDEC process is through Region 5 or Albany and Maureen Donovan answered by saying, both. J. Saris said (1) the NYSDEC needs to understand the value of this acquisition, giving them lake access to the islands and (2) 300 campsites have no value without parking spots. Len Fosbrook said the LDC needs to be careful not to set up a confrontational situation, to which J. Saris responded by saying that he is not trying to be

confrontational, he just wants to make the timeframe urgency known and understood. S. Andersen said (1) the press is pressuring the LDC for information, (2) at some time, the press will be asking what the Town is doing and (3) by the end of June, the LDC will be waiting on the state. Len Fosbrook asked if the LDC has had appraisals done and S. Andersen answered by saying (1) two appraisals have been done and (2) he can't believe the NYSDEC doesn't have an appraisal staff. Len Fosbrook said (1) the NYSDEC doesn't have an appraisal staff, (2) the NYSDEC needs a state certified appraiser and (3) the process is a myriad of layers. J. Saris asked if the NYSDEC will realistically be able to finish its process in the LDC timeframe and Len Fosbrook answered by saying, the LDC should plan on it not happening in the LDC timeframe. S. Andersen asked who the LDC can contact in Albany to speed up the process and Maureen Donovan answered by saying that the LDC needs to figure out a way to partner with the NYSDEC to help move the process along. Len Fosbrook asked if the WCEDC could get copies of Mr. Lamb's appraisal and Z. Gabriels answered, yes. Mr. Lamb said he will call David Kaiser at Glens Falls National Bank and give him permission to give an appraisal copy to the WCEDC. Maureen Donovan said she would follow up by doing the following; (1) talk to the USDA, (2) talk to David Kaiser, (3) talk to IDA, (4) get a copy of the appraisal from David Kaiser, (4) work on getting a schedule from the NYSDEC and (5) will get the names of two attorneys. Len Fosbrook said the WCEDC will need a couple of weeks and come back to the LDC at that time with some answers. Z. Gabriels said (1) he received a letter from Stu Buchanan dated 06/01/05, which the LDC was originally planning on receiving on 05/06/05 and (2) there may be other entities, agencies or financiers interested, who may work faster than the NYSDEC. S. Andersen said time is of the essence. Z. Gabriels asked if Governor Pataki expressed any concerns when he made his Norowal Marina site visit and Mr. Lamb answered by saying that Governor Pataki told him they are working as hard as possible to do this project. Mr. Lamb also said (1) he feels John Keating is the most important person in the process, since John Keating is writing the contract between the LDC and the NYSDEC and (2) once the contract is signed, it then goes to the controller. Maureen Donovan said the controller's office can take 8-10 weeks. Z. Gabriels said Senator Betty Little will assist in opening doors. Len Fosbrook said (1) the WCEDC will contact Senator Betty Little and Assemblywoman Theresa Sayward and (2) the WCEDC will re-establish contacts on the project and try to move it along. Len Fosbrook and Maureen Donovan left the meeting at this point. Z. Gabriels said (1) Frank McDonald told him Mike Wilkens, a global trader, is interested in

being an intermediary and (2) he asked Frank McDonald to invite Mike Wilkens to the next LDC meeting.

Regarding winterization at Norowal Marina and other matters, Mr. Lamb said (1) in past LDC minutes, it stated that the LDC would like to see Norowal Marina continue winterization this fall (2005), (2) he has concerns for his customers, (3) every operation has a different procedure for winterizing and (4) if Norowal Marina is not under his leadership, it may be difficult for the customers to find someone for winterizing. Z. Gabriels said the LDC's concern was with Mr. Lamb's comfort level in having other marinas working on the property. Mr. Lamb (1) said if he were to winterize in the fall, then in the spring, someone else would come in to summarize the boat and (2) said if there is a problem, the customer can say they will sue the him and the LDC, which would be his responsibility as shown in the contract, (3) gave a current example to explain his position and (4) said a customer is better served if the same person winterizes and summarizes the boat. J. Saris said (1) he and S. Andersen both understand Mr. Lamb's position and have no concerns with his work and (2) the LDC concerns were that if contract negotiations should run long, the LDC wasn't sure of Mr. Lamb's comfort level with other marinas going on his property to winterize boats. Mr. Lamb said (1) he knows the LDC is requiring a \$1 million insurance certificate from any marina working on the Norowal Marina property, (2) a qualified business person with a certificate of insurance is okay by him, (3) if the marina closes on 09/08/05, he has already said that he would stay on until 10/28/05, (4) people have already approached him and they want him to winterize their boats, (5) his concern is with boats with on-site storage or boats they winterize and deliver to customers and (6) boats that will be needing service in the spring should be winterized by the same company. B. Bryan asked how familiar Mr. Lamb's customers are with the other local marinas and Mr. Lamb answered by saying (1) the customers know of all of the marinas in Bolton and (2) he would tell customers to follow the Norowal technician who has worked on their boats. B. Bryan said there has to be a written procedure for current customers that Mr. Lamb can hand out. Mr. Lamb said (1) he doesn't recommend tune-ups in the fall, but he will do it for customers who insist and (2) he appreciated the LDC offering current customers first choice, which the customers are happy with too. R. Alcan asked how customer would feel if they had to go to a Town of Bolton marina without the technician that has been working on the boat and Mr. Lamb answered by saying that the

customers just want answers and would be fine going to another local marina. J. Saris said (1) most technicians from Norowal will not have moved to a new marina by this fall and (2) maybe the LDC should ask other marinas for certificates of insurance and give a list of marinas approved by Mr. Lamb to the customers. R. Alcan agreed saying that the LDC should follow right through with that. S. Andersen said he will provide all of the contact information for the other local marinas to the LDC. R. Alcan said Mr. Lamb should review that information.

Regarding rental boats, S. Andersen said the LDC's position is that it wants the rental boats to have minor touch-ups and cleaning done, then have them sold, to which Mr. Lamb is in agreement. Mr. Lamb said people are already picking out rental boats to purchase.

Regarding services the LDC will provide in the future, Mr. Lamb asked if the services to be provided have been determined, because what services the LDC provides will be determined by the needs of the public. B. Bryan asked if Mr. Lamb could provide the LDC with a list of the top 15-20 items sold at Norowal Marina and Mr. Lamb said he would compile the list and get it to the LDC for its next meeting. J. Saris said the LDC feels a more streamlined marina is better, to which Mr. Lamb responded by saying (1) he agrees 100% and (2) he thinks the LDC should lease all operations out as a triple lease, so the LDC will have no responsibility of operations. J. Saris said leasing out operations makes it more complicated and Mr. Lamb said (1) gas is a convenience for the public, (2) if things become less convenient for the public, the LDC will lose customers and (3) the LDC can put stipulations in a contract with a leasee. R. Alcan said any other service suggestions Mr. Lamb has will be greatly appreciated. Mr. Lamb said he doesn't let any of his dock personnel pump gas. Z. Gabriels invited Mr. Lamb to the May 2005 ZBA and PB meetings, at which he, Town/LDC Counsel and R. Alcan will be in attendance. Mr. Lamb noted the meeting dates and then left at this point in the meeting.

B. Bryan submitted a proposed organizational structure with accompanying job specifications for the operation of Norowal Marina

under the LDC to all LDC Members. Z. Gabriels said he wants to make it clear to the attorney and some other personnel that the positions are not civil service positions. J. Saris said the LDC asked Counsel if there was any arrangement that could be reached between the LDC and the Town of Bolton for employees, as it would be cost effective, especially considering benefits. Z. Gabriels said if the LDC gets involved in worker's compensation, it should be aware that it may be subject to civil service requirements. B. Bryan said (1) the LDC needs to get the organizational structure in place and the sooner the better, (2) he needs the other LDC Member's opinions and (3) if the proposed personnel planning is okay, then the next step is taking individual staff and flushing them out financially. All LDC Members agreed that they will review the Proposed Organizational Structure and Job Specifications for discussion at the next meeting. J. Saris said he feels the overall manager position should be salaried. Z. Gabriels asked if the cashier would be taking over selling the top 25 items and B. Bryan answered, yes. B. Bryan said (1) the Town of Bolton's accounting system won't work for the LDC, because it cannot provide Income & Expense Statements on an immediate basis and (2) the LDC will need daily Income & Expense Statements and Z. Gabriels responded by saying that it makes more sense to him for the LDC to get QuickBooks. R. Alcan said (1) the ticket system Mr. Lamb has right now is excellent and (2) the LDC will have to have some numbered ticket system, to which B. Bryan responded by saying, it is the same principle as numbered checks.

Regarding Norowal Marina site visit, Z. Gabriels said (1) Governor Pataki and Senator Little made a brief site visit on Sunday, May 29, 2005 just after the grant awards ceremony, (2) Governor Pataki and Mr. Lamb had a brief conversation, which he was not privy to, (3) he provided Governor Pataki with a picture of the tax map showing the boundary lines and pointed out the marina and two parking areas and (4) he feels Mr. Lamb was pleased that Governor Pataki took the time to make the site visit.

Regarding the faxed letter from the NYSDEC to the LDC, Z. Gabriels said he received the letter from Stu Buchanan on 06/01/05 and provided copies to all LDC Members. B. Bryan said (1) there are problems with the letter, in that half of the items are things that were not discussed and (2) in #2 of the letter, (a) there seems to be

NYSDEC confusion with east and west regarding docking, (b) he disagrees with the section on the gas ramp dock and (c) he disagrees with the state acquiring the east side of the east dock, and (d) the part about the fees and annual operation plan is new to him. J. Saris said the LDC didn't express interest in holding the marina docks to NYSDEC standards. B. Bryan said (1) this letter is sneaky and (2) the finger dock to the east has a high price. J. Saris said it would be the west side of the dock. S. Andersen said the "west side of the east dock" would be accurate. J. Saris said (1) the important point is that they discussed that the long dock (Dock #1) was the one NYSDEC wanted to use, (2) the LDC would have the side of the gas dock facing the ramp, which would be used for launching and retrieving and (3) the opposite side of the gas dock would be neutral. Z. Gabriels said he thinks that is what the NYSDEC meant. B. Bryan said (1) the LDC should get clarification on paper for all of #2 regarding public use of the boat launch and the second sentence of #3 regarding public parking. Z. Gabriels said he thinks Stu Buchanan is unclear on the docks. B. Bryan said #3 sentence 2 in the letter can easily be reworded to read "...agree the public has use..." and further defined by saying "...it is mutually agreed that the launching area, the west side of dock #1, is for launching." J. Saris said (1) the NYSDEC needs to get to a \$2 million value in its appraisal process, (2) the more things the NYSDEC can apply its covenant and rights to, the more value they can get and (3) he is concerned with #2 in the letter referencing an annual operation plan and fees, as this would affect the LDC's means of raising revenue. S. Andersen said (1) regarding #5 of the letter, he wants the terminology "...12 boat slips" replaced with the equivalent in "linear footage," (2) the LDC needs to make it clear that there will be one parking spot per boat allowed and (3) regarding #3 of the letter, the LDC will have an agreement with the customer for quick launch, so he doesn't want the quick launch to be included in what is written in that item. J. Saris said regarding #3 of the letter, the LDC will also be having leases for winter storage that should not be included in this item. Z. Gabriels said he feels the NYSDEC needs to make sure enough value is there to get to \$2 million. B. Bryan said the LDC does not know the formula for the appraisal that Stu Buchanan and the NYSDEC are working with. S. Andersen said (1) the NYSDEC needs to realize the value of the access and present that value at the appraisal and (2) R. Bartlett said the LDC should be cautious in any letter writing campaign. J. Saris said the NYSDEC is asking for the LDC's conservation easement in perpetuity, but then the NYSDEC is saying they will run the islands, but not indefinitely. B. Bryan said the LDC needs to respond to Stu Buchanan's letter. Z. Gabriels said

the LDC will not start a letter writing campaign at this time. J. Saris said there are other places that provide other marina services, so the LDC is not trying to put anyone out of business. B. Bryan said (1) the LDC can say it does an annual marketing plan with competitive fees and (2) he will re-write letter items #2, #3 and #5 for LDC Member review at the next meeting. R. Alcan asked if the NYSDEC will be maintaining the docks and J. Saris answered by saying, the current design works perfectly well, so there is no need to re-invent the wheel. Z. Gabriels asked who should be responsible for the docks and all LDC Members were in agreement that the LDC should be responsible for the docks. J. Saris said docking is a big money maker for the LDC and if for example, if ice takes a dock out, the LDC needs to get it repaired right away.

Regarding LDC representation at the May 2005 ZBA and PB meetings, Z. Gabriels said (1) the LDC has to authorize Matt Steves to present the LDC applications before the Town ZBA and Town PB and (2) the cost for these professional services is to be determined. J. Saris said Herb Koster said Matt Steves does a good job. B. Bryan said Matt Steves does do a good job and he is top-notch.

### **RESOLUTION #12**

B. Bryan moved, seconded by R. Alcan for the LDC to authorize Matt Steves to present the LDC applications before the Town ZBA and Town PB. All favorable. Motion carried.

**APPROVE PAYMENT OF LDC BILLS:** There were no bills to pay.

Meeting adjourned at 6:29 pm.

Respectfully submitted by

Jennifer Torebka

Recording Secretary

06/15/05