

LDC – Minutes

June 30, 2005

Bolton Local Development Corporations

Present: Ron Alcan, Scott Andersen, Richard Bartlett, Buck Bryan,
Alexander G. Gabriels III, Jason Saris and LDC Counsel Michael
Muller

Absent: None

REGULAR MEETING

Z. Gabriels called the regular meeting to order at 4:38 pm.

EXECUTIVE SESSION: None

ANNOUNCEMENTS:

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- 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: No comments from public in attendance.

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OLD BUSINESS:

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Regarding Jarrett and Martin Engineering, Z. Gabriels said the Environmental Assessment was delivered this afternoon. LDC Counsel said (1) there were some incidents of spills that were correctly handled, (2) before the LDC gets ready to close, it should check underground storage and (3) it is a good report and he will give a copy to the bank. Z. Gabriels said he will provide a copy of the Environmental Assessment to the NYSDEC.

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

Regarding the agreement, provisions and deadline, this item is pending.

Regarding the easements, this item is pending.

NEW BUSINESS:

Regarding projections and LDC Marina Plan, R. Alcan (1) handed out a sheet he generated with his plan showing projections, which he said includes \$169K for employment up from \$150K, because he thinks it will take a higher salary for the dock master and also shows \$42K for gas sales and (2) he didn't add in liquid assets, because the LDC is not sure of what that figure will be yet. R. Bartlett said the interest rate is also important to consider, as it may go up or down. J. Saris said the LDC will also be receiving whatever is in the checkbook, which has not been put into R. Alcan's plan. B. Bryan and R. Alcan agreed to get together on Tuesday, July 5, 2005 at 10:00 am to

come up with a computer generated projection report to be discussed by the LDC at the Thursday, July 7, 2005 meeting.

J. Saris said (1) he was approached by Tony DePace and Wayne Smith with concerns of the LDC renting winter storage space, (2) he let them know that the way it is happening this year is that winter storage will be handled by Mr. Lamb and probably will not be the same procedure in the following years, (3) the objection is that the LDC is in competition with Mr. DePace's and Mr. Smith's marinas, and (4) he told Mr. DePace and Mr. Smith to approach the LDC Members with any concerns. LDC Counsel said the LDC needs to be aware of any concerns. From the public, Dusty Rhodes said it is easily resolvable by limiting the number of spaces. J. Saris said if the winter storage situation for this year was a long-term plan then things would be different and Z. Gabriels said this winter storage arrangement is basically for one year.

Regarding winter storage, S. Andersen said (1) Mr. Lamb sent out a letter to customers regarding winter storage, (2) the insurance certificate letter has gone out, (3) Mr. Lamb needs answers a.s.a.p., (4) Mr. Lamb would like to rent space in blocks of ten to qualified marinas who submit certificates of insurance, (5) fees and rules need to be decided, (6) Mr. Lamb is willing to work with the LDC to establish a fee and space plan and (7) money generated from winter storage would go into the Norowal account. J. Saris said (1) one problem would be one person taking all of the spaces and the question of who the current staff would work with and (2) if current dock customers will become LDC customers, he would hate to see them locked out. S. Andersen said he gets the sense that Mr. Lamb does not want to do individual storage. R. Bartlett asked for the number of people who dock boats and store them at the marina in the winter and S. Andersen answered by saying 95% are on site. J. Saris said it is still Mr. Lamb's marina and will still be at the time of winter storage. LDC Counsel said (1) once entered into a contract, a seller is not supposed to make dramatic changes and (2) his sense is that the LDC doesn't want to lose customers and retail is better than wholesale. R. Bartlett and R. Alcan agreed that the LDC does want to preserve the customer base. J. Saris said (1) there is a possibility of the LDC renting 50 dock spaces to the current customers and the rest in blocks and (2) if someone takes 50 spots, they will only take

care of their own customers. S. Andersen said (1) it is pretty clear that Mr. Lamb wants nothing to do with winter storage, (2) he will tell Mr. Lamb of the LDC's idea of Mr. Lamb approaching the customers with their storage options, (3) his sense is that Mr. Lamb's thought is that the dock space rental fee should be by linear feet, (4) the LDC needs to come up with a fair market rate by square foot. After continued discussion on dock space rental, all LDC Members came to the agreement (1) that whatever the block size is it will cost "X" number of dollars to rent, which is a figure to be determined and (2) people need to have their own insurance on their boats and need to sign a hold-harmless agreement against the marina and the LDC.

J. Saris said (1) he has heard people say the LDC is trying to put others out of business and (2) what the LDC is here doing is what is best for Bolton Landing overall, in the hopes that it won't impact businesses negatively. R. Bartlett said the LDC has been given the status of 501 (c) (3) by the IRS, which means it is a not-for-profit, which is a form of corporation that has to be for public benefit.

Regarding the NYSDEC Conservation Easement, Z. Gabriels said (1) LDC Counsel provided a letter from Ron Montesi stating the timeframe for the NYSDEC's actions in the LDC's acquisition of Norowal Marina and (2) provided all LDC Members with copies. R. Bartlett asked when the timeline starts and LDC Counsel answered by saying that according to his conversation with Ron Montesi, based upon the conservation easement being agreed upon, June 28, 2005 was the timeline start date.

Richard Bartlett said (1) the operational plan needs to be intact, (2) the operational plan needs to be worked on by people in the region, (3) there should be a committee to work on this and (4) he would like to get a draft from the NYSDEC. J. Saris said the conservation easement needs to be cleared up. Richard Bartlett said (1) the NYSDEC use of portions of the property needs to be clarified and (2) he strongly urges against closing with the operational plan to be done after one year. LDC Counsel said the LDC Members and welcomed volunteers should lay out the operational plan and give it to the NYSDEC. Z. Gabriels said the status of the operational plan

shouldn't slow the NYSDEC down and Counsel said that is a correct statement, but the LDC should still work on it. R. Bartlett said (1) he is in favor of proceeding with an operational plan, (2) the LDC should comprise a draft, and (3) he suggests Z. Gabriels call Stu Buchanan and ask if the NYSDEC has a model agreement showing components involved. Z. Gabriels said he'd call Stu Buchanan on that matter.

Richard Bartlett said (1) it should be made clear to the NYSDEC that the LDC will be mortgaging the property, (2) a mortgage means if there is a default, there can be foreclosure on the property and (3) the NYSDEC may be looking to fill the shoes of the LDC if the LDC were to default. J. Saris said if for some reason the LDC was to default, the NYSDEC would be the best choice to come in.

From the public, Dusty Rhodes asked if the LDC has provided the NYSDEC with what it requested in the letter and LDC Counsel answered by saying yes. J. Saris said according to the timeframe letter, it looks like it will be three and a half months to make NYSDEC financing a done deal. B. Bryan asked if LDC Counsel has all the needed information to reply to the NYSDEC Conservation Easement and LDC Counsel answered by saying no, he needs the other LDC Members' decisions, in addition to those submitted by B. Bryan.

Z. Gabriels said (1) the NYSDEC agreed to give two appraisals, one including the Sagamore Road property and one excluding that property, (2) all correspondence from the NYSDEC hasn't shown those two options and (3) asked how the LDC approaches getting both options. LDC Counsel said all LDC Members should supply him with their thoughts and he will coalesce all of them and get a draft ready for the next LDC meeting.

Z. Gabriels said dock space needs to be reflected in linear footage of 215 linear feet.

J. Saris said he doesn't think Stu Buchanan did a particularly good job in imparting what was discussed to the lawyer who drafted the Conservation Easement. R. Bartlett said it wouldn't have mattered what Stu Buchanan told them, because the lawyer who drafted the Conservation Easement is Scott Abrahamson, who is Counsel to John Keating's office.

Regarding Glens Falls National Bank, Z. Gabriels said David Kaiser of Glens Falls National Bank, told him the bank is looking for the LDC's commitment letter now and the rates can be figured out later. R. Alcan asked if the LDC is going to be sent a list of appraisal standards. R. Bartlett said the LDC should make an offer to work with the appraisers to help them get to the \$2 million value.

Z. Gabriels said he spoke with Maureen Donovan (WCEDC), who told him (1) an e-mail on interim financing was submitted, (2) Glens Falls National Bank has no interest in USDA financing, (3) it is possible that Glens Falls National bank has a willingness to finance independently with a wrap around at 1% interest and (4) David Kaiser will provide her with the language that the bank needs from the NYSDEC for assurances on interim financing and the LDC will get a copy.

R. Alcan asked if the rate may be less from what Glens Falls National originally quoted and R. Bartlett answered by saying (1) he is not worried with the rate going back up. Because he doesn't see the factors leading to that and (2) Federal Policy has had no effect on mortgage rates. R. Alcan and R. Bartlett were in agreement that the LDC should go with a financing fixed rate of 5.5% for 20 years.

Z. Gabriels said (1) LDC Counsel received a letter of commitment from Glens Falls National Bank, (2) Z. Gabriels will provide copies to LDC members and (3) LDC Counsel prepared a two page reply to the letter of commitment. LDC Counsel said he asked Glens Falls National bank if the LDC would be exempt from mortgage tax, which

would save the LDC a lot of money and he is still waiting for an answer on that.

Regarding Dick Swire and Buzz Lamb, Z. Gabriels said Dick Swire provided information that it would be beneficial to get the LGA's written support in the Post Star and LGA Executive Director, Walt Lender agrees and is working on a document.

Regarding public information on the Norowal Acquisition, J. Saris submitted a draft list of items to provide to the public information on the Norowal Acquisition for the LDC Members to review and to discuss at the next LDC Meeting.

COMMITTEE REPORTS:

Saris: None

Alcan: None

Bartlett: None

Bryan: B. Bryan provided his Weekly Report to all LDC Members and Town Board Members in attendance.

B. Bryan highlighted the Flacke connection and said (1) Mr. Flacke told him of a situation about 18 months ago where someone sold all of the State land along the Erie Canal between Troy and Rochester for \$30,000 and (2) Mr. Flacke told him the State Controller refused to allow the deal to go through, had the contract ruled invalid and then stated that all land deals involving the State had to follow established procedures. R. Bartlett said that was a sweetheart deal that was rescinded and he doesn't feel it will affect the LDC acquisition.

B. Bryan said (1) last weekend all of the parking spaces at Norowal were sold out and he feels the demand is exceeding supply, so the LDC should raise prices, (2) Mr. Lamb suggested to him that the LDC tear down the Lamb house, Mohican Canvas Building and/or the indoor boat storage building to make more space for parking and (3) Mr. Lamb also suggested to him that the LDC concession out the Marine store, the Laundromat and the gas sales if the LDC will not be running gas sales by itself.

B. Bryan submitted a letter of support from the LGA dated February 25, 2005 into the record and gave copies to all LDC Members.

Gabriels: None

APPROVE PAYMENT OF LDC BILLS:

There were no bills to pay.

Meeting adjourned at 6:00 pm.

Respectfully submitted by

Jennifer Torebka

Recording Secretary

07/07/05