

LDC – Minutes May 11, 2005

Bolton Local Development Corporations

Present: Ron Alcan, Scott Andersen, Richard Bartlett, Buck Bryan, Alexander G. Gabriels III, Cheryl J. Lamb (Norowal), Walter F. Lamb, Jr. (Norowal), Roger Phinney (Norowal), Jason Saris, Town Counsel Michael Muller

Absent: None

REGULAR MEETING

Z. Gabriels called the regular meeting to order at 4:30 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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OLD BUSINESS:

Regarding the Draft Stock Purchase Agreement, LDC discussed the Draft Stock Purchase Agreement and provisions made to it by Muller & Scheuermann, including the closing date being changed to June 9, 2005, with 30-day extensions, available in good faith, up to the ultimate final closing date of November 9, 2005, which is the Wednesday after Election Day. B. Bryan asked if Mr. Lamb is in agreement with the new Stock Purchase Agreement to be signed tonight reflecting the ultimate closing date of November 9, 2005, to which Counsel answered, yes.

R. Bartlett said his understanding of the bond issue is that the LDC needs to be the purchaser and the borrower. Z. Gabriels said David Kaiser, VP of Glens Falls National Bank, wants to know to what extent the Town is responsible to accept debts of the LDC, to which J. Saris responded by saying the LDC would come to the Town and ask for help in debt matters. R. Alcan asked what the best case scenario is if the NYSDEC moves out of the deal, to which R. Bartlett responded by saying, the LDC can't go through with the Norowal Acquisition without the NYSDEC. B. Bryan said the critical issue is the money coming from the NYSDEC and how the LDC can expedite the process of getting that money. R. Bartlett said (1) Stu Buchanan (NYSDEC) was firm with the NYSDEC money coming through in fall 2005 and (2) this seems to be an accurate timeframe for the process. Counsel said there is a built in time period for the NYSDEC's appraisal process that cannot be expedited. J. Saris said (1) the NYSDEC most likely will not be able to write a check by the June 9th closing, but the LDC can get a written commitment from the NYSDEC, (2) sometimes the NYSDEC has worked with interim finances, (3) another possibility for if the NYSDEC does not help, is for the LDC to have a referendum for a bond to take care of the full \$4.5 million. R. Alcan said the LDC should make the NYSDEC aware that they will lose their access to Lake George and their islands if they cannot bring their money to the table on November 9, 2005.

B. Bryan asked for clarification on what losses the LDC would incur if it were to back out of the Norowal Acquisition at different periods of time, to which Counsel answered, (1) per the conditions of the agreement, if the LDC is unable to close on June 9, 2005 or on November 9, 2005, for any reasons specified in the signed Stock

Purchase Agreement, then the LDC would not lose anything and (2) if the Stock Purchase Agreement is signed today and the \$45K check is drafted by the LDC to Mr. Lamb's attorney today, that money will be put in an escrow account.

Cheryl J. Lamb, Walter F. Lamb, Jr. and Roger Phinney, Norowal Marina Shareholders, joined the meeting at this point.

R. Bartlett asked Mr. Lamb (1) if the Norowal Marina Shareholders had reviewed the new Stock Purchase Agreement with his attorney and (2) if they were ready to sign the Stock Purchase Agreement today, to which Mr. Lamb answered, yes to both questions. The Norowal Marina Stockholders reviewed the Stock Purchase Agreements presented to them by the LDC for signatures.

Counsel explained how the closing dates came to fruition by saying, (1) the original closing date is July 9, 2005, (2) he and Barbara Scheuermann concluded that July 9, 2005 would not suffice as an ultimate closing date, as it may not be ample time for the NYSDEC to supply its funding, (3) the Stock Purchase Agreement to be signed today gives Mr. Lamb the right to, if he so chooses, without any obligation, grant the LDC 30 day extensions for closing from July 9, 2005 through the ultimate closing date of November 9, 2005, (4) he senses any variance requests the LDC is seeking will go smoothly at the June and July 2005 Meetings of the Bolton Planning Board and Zoning Board of Appeals, and (5) he considered every possible, conceivable notion that could take place and came up with the ultimate closing date of November 9, 2005, to which Barbara Scheuermann agreed. Mr. Lamb said regarding the Stock Purchase Agreement, (1) the first sentence on page 1 should be filled in to say "11 day of May" and (2) on page 9, Section 6.11.2, the last sentence of this section should have the date changed from October 1, 2005 to November 9, 2005, to which all parties were in agreement.

RESOLUTION #6

J. Saris moved, seconded by R. Alcan for the LDC to authorize Alexander G. Gabriels, III (1) to make the changes to and sign the Stock Purchase Agreement and (2) to submit the Town of Bolton General Fund check number 10037, dated May 8, 2005, in the amount of \$45,000.00 made payable to Barbara Scheuermann (Attorney for Norowal Marina Shareholders), to the Norowal Marina Shareholders for a down payment on the Norowal Acquisition. All favorable (R. Alcan – favorable, R. Bartlett – favorable, B. Bryan – favorable, Z. Gabriels – favorable). Motion carried.

The Stock Purchase Agreement copies were altered to reflect the aforementioned changes and initialed by Mr. Lamb, Mrs. Lamb, Mr. Phinney, and Z. Gabriels (on behalf of the LDC). The Draft Stock Purchase Agreement was then signed by Mr. Lamb, Mrs. Lamb, Mr. Phinney, and Z. Gabriels (on behalf of the LDC).

Counsel said (1) he will work on getting the necessary variance request items on the June 2005 Agendas of the Bolton Planning Board and Zoning Board of Appeals, (2) realistically, he does not see the LDC being financially ready to close on July 9, 2005, a major factor being the NYSDEC funding process that takes time to complete, (3) if the closing does not happen on July 9, 2005, Mr. Lamb has the option of walking away from the Agreement at any time and is under no obligation to grant any 30-day closing date extensions to the LDC and (4) he suggests the LDC submit a report detailing the progress being made with every closing date extension letter request to Mr. Lamb. J. Saris said the first task in securing finances is for the LDC to get the requested maps to the bank. Counsel said any other requests from the banks, for example, the LDC's official tax-exempt status, has been presented. Mr. Lamb said he is very pleased with the work the LDC is doing.

Cheryl J. Lamb, Walter F. Lamb, Jr. and Roger Phinney, Norowal Marina Shareholders, departed the meeting at this point.

R. Bartlett said a press release is important and asked if one would be done, and Z. Gabriels answered, yes, a press release and a phone call would be generated. Counsel said (1) the press should be ongoing and (2) a lot of inclusion is needed. B. Bryan (1) said he is very appreciative of the progress Counsel has made for the LDC with regard to the Norowal Acquisition and (2) thanked Counsel for his efforts on behalf of the LDC, to which all present unanimously agreed in appreciation.

Regarding financing options for the LDC, Z. Gabriels said the LDC approached Evergreen Bank first and Glens Falls National Bank second. R. Bartlett said (1) within a month, Evergreen Bank will become TD Banknorth and (2) even though he doesn't feel the response will be great, the LDC should still approach this bank. R. Alcan asked if it is possible for the LDC to get a fixed rate on its loan, to which R. Bartlett answered, it depends on the limits and the range of adjustment. J. Saris asked if Glens Falls National Bank would hear the LDC at its May 28, 2005 Board Meeting, if the requested Income & Expense Reports are presented prior to that date, and R. Bartlett said (1) he would call Glens Falls National Bank to find out and (2) if the LDC can't be heard on May 28th, the next Glens Falls Board Meeting would be held in late June. B. Bryan said he could (1) provide the Income and Expense Reports for the last five years immediately and (2) get the completed month-to-month Income and Expense Reports within a week. J. Saris asked if it is possible for the LDC to go to a bank with a written commitment from the NYSDEC, and R. Bartlett answered by saying (1) NYSDEC funding is critical, (2) if the NYSDEC commitment is bankable, the LDC can borrow against it and (3) the LDC needs to explore the extent to which the Town of Bolton can endorse the LDC's note.

Regarding the LDC's letter to Governor Pataki, Z. Gabriels created 2 drafts and presented them to all in attendance for further review. R. Bartlett said the LDC should talk to Senator Little. M. Muller said two other possibilities the LDC may want to look to for funding are; (1) The Land Conservancy and (2) NYS Economic Development Funding.

Regarding ELAN, Z. Gabriels asked if the LDC wants ELAN to complete the draft of the Feasibility Analysis or to take other action, and J. Saris answered by saying, he is not sure the LDC will need anything else.

Regarding Van Dusen & Steves, they have pinned the Norowal property for anyone interested in walking it.

Regarding Insurance Estimate #1, Z. Gabriels said Dave Stotler, Evergreen's Community Insurance, is the Broker of record for the Town of Bolton and asked if it is to be presumed that Dave Stotler will be the Broker of record for the LDC as well. R. Bartlett answered by saying, usually the Broker of record for a municipality would work, but the LDC is a separate body.

Regarding Insurance Estimate #2, Z. Gabriels asked if the winter storage of boats, including trailers and blocking, is an LDC insurance policy decision which needs to be made, and J. Saris responded by saying, the LDC should require certificates of insurance from anyone going in to do work.

Regarding Insurance Estimate #3, Z. Gabriels asked if the LDC should use replacement cost for insurance or some other value, to which R. Bartlett responded, the LDC needs to find out what is in there first before making a decision on this matter.

Regarding Local Educational Plan / Public Relations effort, Z. Gabriels said there is a need this be created when the agreement is finalized.

NEW BUSINESS: There was no new business discussed.

PUBLIC IN ATTENDANCE: There were no public comments.

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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

APPROVE PAYMENT OF LDC BILLS: None

Meeting adjourned at 6:10 pm.

Respectfully submitted by

Jennifer Torebka

Recording Secretary

05/18/05