

The minutes of the Special Meeting of the Village of Haverstraw Board of Trustees on Tuesday, July 26<sup>th</sup>, 2011.

## PLEDGE OF ALLEGIANCE

ROLL CALL	Trustee Batista	- Present
	Trustee Bueno	- Absent
	Trustee Watson	- Present
	Trustee Dominguez	- Present
	Mayor Kohut	- Present

Mayor Kohut: The Mayor opened the Special Meeting with regard to funding for the GDC Parkside Project at Harbors pursuant to the Land Acquisition Disposition Agreement (LADA), which requires Board approval. He requested Andy Maniglia, representative for GDC, to explain the details.

Andy Maniglia: Mr. Maniglia explained that Ginsburg Development Corporation (GDC) is requesting financing for the new building located at Parkside in the Harbors development. This would be a construction loan for a period of approximately 8 months. He explained that the LADA requires permission from the village if the lender is not a financial institution such as a bank, and this lender is not. The lender is a Real Estate Investment Trust and the reason for obtaining the loan through this means is that financial institutions are currently not making loans and more specifically will not get involved in an 8 month loan.

Currently, the building is at 25% occupancy with Certificates of Occupancy issued. When the building is tended up to 60 or 70%, which is anticipated to happen within the next 6 or 7 months, the loan will be converted to permanent financing with either Wells Fargo or the Bank of America. The Village Board is now being asked to permit the financing to complete this project through the Real Estate Investment Trust known as RCG Longview for an 8 month period.

Mayor Kohut: The Mayor inquired if the four companies listed in the overview provided to the Board by Mr. Maniglia actually make up RCG Longview, to which Mr. Maniglia responded yes. The Mayor then asked if this financing would be strictly for short term construction financing for the 8 month period.

Andy Maniglia: Mr. Maniglia responded that it would be no longer then 8 months because it would not be advantageous to the developer to draw it out for a longer period of time. GDC is requesting this approval from the Board, for financing through RCG, because banks are not making real estate loans anywhere in the Northeast area at this time. He explained that once the building is 60% to 70% occupied the banks would grant a loan, because at that time there would be a good revenue stream coming through. The amount of the loan is \$17 million.

Jay Hood, Jr., Esq., Village Attorney: Counselor Hood pointed out that if there is a default and RCG forecloses on the loan, it would be subject to the LADA, meaning RCG could not take it over and do whatever they wanted with the property, they would still be subject to the agreement in place. He also mentioned that this only involves the Parkside Project and no other area of the Harbors.

Emily Dominguez: Trustee Dominguez requested a copy of the contract with RCG.

Mel Post, 1422 Round Pointe Drive: Mr. Post asked for the formal name of the company.

Mayor Kohut: The Mayor responded RCG Longview.

Mel Post: Mr. Post questioned what would happen if it is not 60% rented at the end of the 8 month period.

Andy Maniglia: Mr. Maniglia explained that the loan would then be carried on a month to month basis, however, they really do not see that happening considering that 30 days into the kickoff 25 C.O.'S have already been issued.

Mel Post: Mr. Post wanted to know exactly what the series of events would be if, in fact, they did not meet the quota in 8 months.

Andy Maniglia: Mr. Maniglia explained that they can extend the terms of the loan on a monthly basis, however it would probably be at a higher rate. He mentioned that Parkside is being heavily marketed right now in order to succeed with this project.

Mel Post: Mr. Post inquired what he anticipates could happen if the criteria is not met.

Andy Maniglia: Mr. Maniglia explained that generally these types of loans are capped at about 2% to 3% above the existing loan rate, which is 8% for the next 8 months.

Gil Musinger, 1416 Round Pointe Drive: Mr. Musinger asked Counselor Hood if he foresees any negative impact from this on the homeowners at Harbors.

Jay Hood, Jr., Esq.: Counselor Hood responded that the only negative thing he could see happening is if GDC defaults on the loan, however, it would still be under the terms of the LADA, but there would be a new person taking over the building. He does not see Mr. Ginsberg allowing that to happen, also stating Mr. Ginsberg has never defaulted on anything he has been involved in. Counselor Hood feels that Mr. Ginsberg would not want to see a building in his development owned by someone else and will do everything in his power to make this work.

William Stone, 14 Harbor Pointe Drive: Mr. Stone inquired if the streets in the Harbors have been taken over by the Village. He also inquired about a speed bump on Harbor Pointe Drive.

Mayor Kohut: The Mayor responded that the Village has taken over the dedicated streets in the Harbors and that the others are private roads. The streets were taken over May 31<sup>st</sup> and the Village has not pursued anything further than taking care of the maintenance and lighting on the roads.

Terence Watson: Trustee Watson questioned Mr. Stone about the location of the speed bump.

William Stone: Mr. Stone responded there have been discussions with the major HOA regarding installing a speed bump around 21 Harbor Pointe Drive and possibly on the hill going down.

Terence Watson: Trustee Watson inquired of Mr. Maniglia what the impact would be if the board did not approve this financing request.

Andy Maniglia: Mr. Maniglia responded it would impact GDC's ability to continue to develop the entire Parkside parcel and he would also not be able to proceed with developing the next building, the Riverside building, or along the waterfront. He mentioned there is still a lot of planning and designing to be completed for Site A, but not getting this approval would have a considerable effect on the development of the property.

Francisco Batista: Trustee Batista felt that the Board needed time to discuss this matter internally before they make a decision and he personally is not ready to vote on this matter at this time.

Mayor Kohut: The Mayor asked if the Board would require an Executive Session to discuss the matter.

Emily Dominguez: Trustee Dominguez agreed with Trustee Batista that the Board should discuss this matter internally before making any decision.

Alan Cohen, 1314 Round Pointe Drive: Mr. Cohen inquired how GDC came up with the 490 units that Mr. Maniglia referred to and wanted to know if they were all a part of Parkside.

Andy Maniglia: Mr. Maniglia responded that the 490 units make up all of Site A, which was part of the LADA passed in 2003. There are 110 units in the Parkside building, of which 25% or more are currently rented.

Catherine Fuller, 1216 Round Pointe Drive: Ms. Fuller inquired about the number of units that will be in the Riverside building.

Andy Maniglia: Mr. Maniglia informed the public that Riverside will be a similar building, but approximately half the size, housing about 50 units. It will be a three story building perpendicular to the water and probably rentals depending on the market at the time.

Mel Post, 1422 Round Point Drive: With respect to the loan and the possibilities of what a foreclosure would entail, Mr. Post felt that the trustees should know something about the company itself. He believes the builder needs this loan, and in the long run, that this would benefit the Harbors community. He also feels if everything is in order with respect to the loan, that GDC's request should be granted in order to move this project to completion.

Emily Dominguez: Trustee Dominguez requested an Executive Session for the Board to fully discuss this matter.

Mayor Kohut entertained a motion to move to Executive Session.

RESOLUTION #167-2011

Motion by: Emily Dominguez  
Seconded by: Francisco Batista  
Motion carries: All

The Mayor invited the public to remain, if they so chose, while the Board breaks for Executive Session.

Upon returning, Mayor Kohut entertained a motion to exit Executive Session and reconvene the Special Meeting.

RESOLUTION #167-2011

Motion by: Emily Dominguez  
Seconded by: Francisco Batista  
Motion carries: All

Mayor Kohut: The Mayor announced to the remaining public that after speaking with Mr. Magniglia, the Board decided to do a more thorough evaluation of the documents and delve further into the background of RCG Longview. He did, however, want the public to know that the Board fully understands the need for the developer to have more stable financing to complete the project, however, the Board does need the time to learn more about RCG Longview.

With that being said, the Mayor entertained a motion to adjourn this meeting to tomorrow evening at 6:00 PM in order for the Board to have more time to fully review the matter. The meeting will take place in either the Village Board Room or the Building Department Board Room, depending on whether or not court is in session.

Mel Post: Mr. Post asked why the Board felt a necessity for an Executive Session when the people who are actually involved were at this meeting. He did not understand why there would be questions brought up there that could not be discussed at the Special Meeting.

Mayor Kohut: The Mayor explained that they have a contractual relationship with the developer and when there are questions regarding contract issues the Board generally adjourns to Executive Session. They had specific questions that needed to be addressed between the developer and the Board, as well as questions about the contract.

Male – No name given: He just read about the Special Meeting in the Journal News that day and wanted to know what the requirements are to notify the public about upcoming meetings.

Judy Curcio, Village Clerk/Treasurer: Ms. Curcio explained that the Village is required by law to notify the public of a meeting as soon as one is scheduled. This meeting was scheduled the previous day and the information was immediately given to the press, as well as being posted at the Village Hall.

Mayor Kohut: The Mayor explained that whenever three or more Board members need to discuss any matter, a Special Meeting or workshop has to be called to comply with the Fair Meetings Law.

Same Gentlemen: He inquired if we had a website to get information out to the public.

Mayor Kohut: The Mayor mentioned that there is a village website, but the information did not get into the paper in a timely manner, so the public was notified according to the law. He then mentioned that the meeting to be held the following night would not be posted in the paper because it is a part of the same meeting.

Mayor Kohut entertained a motion to adjourn this meeting to tomorrow evening at 6:00 PM.

RESOLUTION #168-2011

Motion by: Emily Dominguez  
Seconded by: Francisco Batista  
Motion carries: All

Respectfully submitted by,

Beverly A. Swift  
Senior Steno Clerk  
August 9, 2011