

DLDC BOARD OF DIRECTORS MEETING – November 28, 2012

Present: Mayor Anthony J. Dolce, Tim Gornikiewicz, Steve Neratko, Nicole Waite, Joe Becerra, Stephanie Kiyak, Andy Gonzalez, Richard Halas, and Judy Lockett. Also present was Ron Szot, City Attorney.

Absent: Jaime Rodriguez, Judy Presutti, Margie Dye, James Muscato, Rosemary Banach and Mark Woods.

Meeting was called to order by Steve Neratko at 11:18 AM, located in the Mayor's Conference Room.

Reading of Minutes of preceding minutes: It was discussed that audio recordings of meetings will be kept indefinitely so there is no need for verbatim minutes. Ron Szot explained that amending minutes is only done for clerical errors such as wrong date, name, etc. Minutes were not approved as there was no quorum at this time in the meeting.

Committee Reports: No reports of committees. Rich Halas announced that the Finance & Audit Committee would be meeting soon to discuss the audit and everyone from the Board is invited. Rich will let Nicole Waite know when the meeting is so she can send out an email to the rest of the Board.

Officer Reports: Tim Gornikiewicz gave his Treasurer's Report. The reports are now for the entire previous month so this report deals with October 1-October 31. That is why there is a difference between what was expended in the report and what the current balance of the checking account is. As of the 15th all property taxes have been paid off. There had been a question on whether or not the DLDC has to pay City taxes on the Bertges and Flickinger properties. Tim stated that they do. All CDBG funds are in the right accounts. Right now there is not a lot of money in the account but everything is squared.

Old/Unfinished Business:

CDBG Audit – The audit has come out and Steve Neratko assured the board that it took a long time to get into the situation the DLDC is in so it is going to take some time to fix it. Steve, Tim Gornikiewicz, and Nicole Waite had a work session with Harry Sichertman and some of his associates earlier on Monday. They came in and focused on topics that were specifically mentioned in the audit: Clarion loan, other DLDC loans, the façade program, IDIS reporting. The Clarion loan was a major focus at the session.

Rich Rickli worked with Nicole on going through the files, figuring out what documents exist, and creating a timeline. Some documents from a separate file provided more information about this loan. Steve will set up a meeting with Vic Singh from the Clarion to discuss the situation.

Dick Lippold worked with Tim on the IDIS Program, which is the HUD reporting program. Ron Szot pointed out that this is something that the City is responsible for, not the DLDC. However, the DLDC needs to turn in its reports to the City on time so they can satisfy the IDIS requirements. In the past the loans were reported back as one, but they need to be reported individually. Tim and Nicole mailed out "Job Creation" Packets a few weeks ago to businesses who received loans and façade grants to

try and collect information for the HUD reporting. The reporting requirements need to be spelled out in the loan documents so those borrowing money know what reporting is required of them. Tim will be making visits to the businesses who don't respond.

Rich Halas questioned whether or not the DLDC should continue to make payments on the Bertges property with CDBG funds if the audit says they shouldn't be. Steve pointed out that the Comptroller's Audit and the HUD Audit are two separate things and they will not necessarily line up. Lambrose from HUD has said property acquisition is an acceptable CDBG expenditure. They did not have issue with the acquisition, but with how it was done – without an appraisal, tearing down the building, etc. Harry Sicherman has said that he thinks the DLDC should get more involved in property development and less involved in loans.

Rich asked if a meeting could be set up between HUD and the DLDC to talk about the audit. Steve said that he would ask, but was doubtful that HUD would be interested in talking to a sub-recipient.

18 Lake Shore Drive W Brownfield Program – The DLDC is currently enrolled in the Brownfield Program with the DEC and Krog. Krog has decided to drop out of the project. DEC has said the site needs to be cleaned up. They believe nothing is currently leaking into the lake but they want immediate action. The DLDC has two options. They can continue on in the Brownfield Program, although that will cost money which the DLDC does not currently have. The other option is to enter the NY Spills Program, another DEC program, which won't clean up the site as thoroughly as the Brownfield Program, but it is a significantly less cost. Either the DLDC can take the lead and pay for the costs up front or the DEC can take the lead and seek repayment after it's finished. The DLDC may not be charged for it because the DLDC will look at previous owners/uses when seeking repayment. If no decision is made the DEC will begin cleaning it up on its own and the property will enter the Spills Program automatically.

Rich Halas had been in contact with Maurice Moore from DEC about the property and was told that the property was not classified and the DEC had no information. Steve said that the work plan has not been turned in, but that they had been given information from Krog. Marty Doster has sent Steve hundreds of pages of information about the site and will forward it to the Board. Rich questioned why the DLDC paid Burke for cleanup activities when the Flickinger Building is not in the Brownfield Program.

Future of DLDC – Steve Neratko explained that there are other things local development corporations can do besides lending. The board needs to get an idea of what they would like to do so that a 2013 CDBG application can be put together. Nicole Waite put together a list of some of the activities that can be done, including:

- Planning & Design – which could tie into Al Tech site and BOA grant
- Acquisition, Construction, Rehabilitation – Steve recommended that the DLDC should not get into that until they get some of their other real estate projects cleaned up, but that the DLDC could continue its work on these projects. Instead of having a preferred developer the DLDC could fix up the property and sell or lease it.

- Historic Preservation – Steve Neratko, AJ Dolce, Tim Gornikiewicz, Stephanie Kiyak and Nicole Waite sat down with Julian Adams from SHPO and he went over some beneficial programs for the City which include historic districts, local landmark law, preservation commission. The Office of Historic Preservation has grants and tax credits available for rehabilitation. Steve mentioned that he had spoken to Brian Burke a few days ago and he has someone who is interested in leasing the first two floors of the Flickinger Building if it could be completed by next summer. They discussed IDA Bonds as well as tax credits.
- Economic Development Services – marketing the city to developers. The Development Department has not had time in their office to do much marketing. Tim Gornikiewicz brought up the “Visit Dunkirk” website which was started a few years ago and is half finished. The idea is to have it be a business directory with multiple levels – basic listing or full webpage. Plus promotion for events and festivals. Business and promotional activities on one website. Tim and Steve have been in contact with Todd Bialeszewski who worked on the City’s new website. He is putting together proposals for the cost of redoing the “Visit Dunkirk” website.

Rich Halas mentioned that the Board should look through its By-laws and Mission Statement to make sure they’re picking activities that match those. He asked that Steve put together a suggested plan and bring it to the Board at the next meeting.

Board Profile – Nicole Waite passed out a Board Profile form for all board members to fill out. The form is to help the Governance Committee get an idea of what expertise the board has and what it needs. This will aid them in making recommendations to the Mayor about what kinds of people to look for when filling vacancies. Members were asked to return it at the next meeting.

New Business: Anthony Kapuscinszki has shown interest in purchasing 523 Columbus St. Mr. Kapuscinszki said that he had a conversation with Kory about purchasing the property for just the closing costs. Ron Szot asked if there were any sale conditions in the DLDC’s purchase contract. Nicole Waite stated that the only condition in the contract was that the DLDC must demolish the building, which it has. Rich Halas asked that Steve get an offer in writing before the Board moves forward.

Steve brought up 66 E Second Street, a DLDC property, that is falling apart and has problems with wild animals going in and out. He suggested that they might want to put some money into the 2013 CDBG application for demolition.

Andy Gonzalez made a motion to adjourn at 12:30 PM. Rich Halas seconded.