

From: John Gilstrap, President of Board of Directors for Hudson Development Corporation
To: City of Hudson Common Council
Date: May 14, 2018
Re: Statement on behalf of the Board of Directors, Hudson Development Corp.

The Board of the Hudson Development Corporation (HDC) is formulating its response to the President of the Hudson Common Council's initiative that HDC be dissolved that he announced at the Council's May 6, 2018 meeting. With the apparent support of the Council, the President directed the city attorney to develop a plan to dissolve HDC.

The dissolution of HDC is not an action that the City of Hudson has the authority to undertake. This option is solely available to HDC. The HDC board will examine the relevant not-for-profit legal authority and the state laws and regulations that govern Local Development Agencies (LDC's) and clarify the means by which the board of HDC could dissolve the organization. This option will be discussed at its next regular meeting on May 22, 2018.

The HDC board consists of 11 volunteer members of the community and two elected officials. The inclusion of the Mayor and Common Council President reflects the need for incorporation of the City administration into the mission and work without necessarily making the organization political in nature. This balance echoes the practice of economic development agencies throughout the country whose effectiveness depends on its non-partisan role. At the same time the HDC board has committed itself to an open meeting policy inviting regular attendance and contribution from the community at large. All meetings are noticed under the law and all minutes and actions are posted on both the HDC and City of Hudson websites. HDC by-laws set term limits to assure a regular cycling of volunteer board membership and a policy remains in place to entertain any new candidates to serve. No volunteer member of the board receives any compensation or pecuniary benefit for the considerable time and effort expended. The volunteer board will work closely with the Mayor over the next weeks to consider how best to serve the Hudson community and further the goals of economic development. We remain keenly aware that the projects in motion and the tasks HDC performs are complicated and require thorough and careful consideration. We pointedly understand that any change in the way these services are delivered to the community must not occur in a reckless way.

What would dissolution mean for the City of Hudson? Even without a more thorough and complete examination of the consequences, we can conclude that, absent cooperation and support from the Common Council, the Kaz redevelopment project and the purchase of the adjacent CSX property are no longer viable. The pursuit of housing, small supermarket, transportation enhancements and increased tax revenue at the Kaz site are terminated and very likely will become the responsibility of the City.

Also, to be noted is that in late March HDC's Executive Director announced to the board her intention to resign on August 1, 2018. She will be available through that date to assist with plans for disposition of HDC's responsibilities and assets.

Other issues that the City of Hudson will need to address and for which it will need to accept immediate responsibility are:

- The guidance, preparation, application and administration of state and federal grants to the City and to HDC, such as those under the 2018 State Consolidated Funding Application.
- The administration of grants received by the City and HDC under the Downtown Redevelopment Initiative that are the responsibility of either the City of Hudson or HDC that will require administration by another agency or agencies such as by the City of Hudson or Columbia County, or the postponement, renegotiation or termination of funded projects.
- That without administration of either the Kaz-redevelopment, CFA or DRI projects, HDC will exhaust its revenue within four to six months.
- That the action to dissolve HDC also implies shuttering the Hudson Development and Planning Agency, since that agency shares staff with HDC and will exhaust its revenue by the end of May.

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