

**VILLAGE OF RED HOOK
VILLAGE BOARD MEETING
01-30-2010-Saturday**

Present: Deputy Mayor Blundell, Trustee Trapp, Trustee Kovalchik and Trustee Seymour and counsel for RH Village Victoria Polidoro. Mayor Cohen is recused on this matter.

Deputy Mayor opened the meeting at 10 am in the main meeting room in a roundtable setting with tables and chairs centered so plans, maps and other documents could be shared and viewed easily. Maps reviewed included one prepared by RA Jones dated 1/12/10, titled Proposed Septic Disposal Systems Subdivision which was retained by the board.

Representatives were present from the St. Paul's Church committee, along with their site engineer Dick Jones, their attorney Kevin Wade and their contract vendee representatives from Rondack Construction.

The church representatives explained their financial distress situation and that they need \$75,000 to pay M&T Bank by March 1, 2010 for obligations owed on the roof replacement loan.

DM Blundell gave a brief overview to include the fact that the RH Village Board has oversight of the water issue as they also comprise the Water Board, per village law. He also pointed out that the RH Village Board does not control or direct any other boards involved, namely the RH Fire Department, the Planning Board or our Zoning Board of Appeals. He also pointed out that RH has issued a letter dated 12/16/09 that restricted any new water use approvals for the proposed St Paul's subdivision as the village works out supply and watershed regulation issues.

Since that letter was issued St. Paul's has reconfigured and redrawn another version of their subdivision which was introduced at the board workshop meeting of 1/20/10. More time and depth of detail was needed and the January 30 meeting was set for all parties to get more facts. Engineer Jones showed new maps and stated it moves the contract vendee purchase location that looks to attempt to reduce the water impact issue and possibly open the land for RH Fire Department parking. Essentially, the church proposes to shrink the initial Parcel A from 1.2 acres to .55 acres and offer that to a party but wants RH Village to transfer land in Parcel B(.55 acres) to affect a swap. This would allow combination of B to other land owned by the church at the corner of Firehouse Lane. This new lot would allow Rondack to purchase land further from the initial Parcel A and still build their planned structure. The church is apparently looking to address the needs of the RH Fire Department and also generate a plan that will alleviate water impact and raise money for the church.

The church and Rondack presented some detail of the proposed use which is describe as office and two bedroom apartment with a projected water use of 300 gallons per day, per their engineer. They still would like to preserve a right of way access in the Parcel A.

Initial discussion was led by DM Blundell to ask counsel just what ability and powers the village has to buy, swap and/or transfer land. Counsel explained that there should be a finding that the land is not needed any longer and a need for the new parcel. An underlying public benefit to enable the village is also needed to act in this fashion. Fair market value needs to be addressed. The law generally allows a village to own and rent buildings, in a 5 year lease cycle, to another party but not necessarily vacant land. Cemetery Law is described that if church defaults and fails the cemetery would revert to the village for maintenance and control.

Discussion followed on the fact that we currently lease the land under the FD and could we add the Parcel A, if we bought it.

Issue is- what is the village's interest in being involved in buying and selling. Options were raised and discussed where the village does not get involved in buying or swapping and only sells Parcel B.

Discussion by Trustee Trapp, Seymour, Kovalchik and Blundell on fact that RH Trustees do not want to be in the real estate business and see this as a problem the church is facing, working in a specialized world that is not our normal domain.

The new configuration appears to only require one lot with water needs. We still face the stance taken in our 12/16/09 letter but recent water reports may have opened some supply. However, we await more data are not averse to seeing if some option works for the church.

Rondack indicated they are willing to work with all parties and we explained that their plan for a building is not in our purview, that is the planning department and zoning regulated.

DM Blundell pointed out that we have no budget line for real estate purchases and no budget line for legal costs related to real estate work that we did not plan on for 2009-2010. We have no budget line for costs to establish fair market value of Parcel B. Rondack offered to pay the real estate appraisal costs which they estimate at \$375. Counsel indicated this is a feasible step. Attorney for the church offered to copy existing appraisals in their file for review but none are of Parcel B.

Motion- Village Board requires a fair market value appraisal on the Parcel B so it can continue review of possible real estate sale of this parcel. Rondack Construction's offer to hire and pay for the appraisal will be accepted. It was noted that adding Parcel B to the corner land owned by the church may increase the overall value of the combined lands by more than the value of B.

Trustee Trapp pointed out that whatever we end up deciding on this matter there will still be long term review of the building plan and how it fits with planning and zoning.

DM Blundell presented an option on how to move the land and not involve the village in any actual purchase, since, as noted earlier; we do not plan or intend to be in the real estate business. We could sell parcel B to the church and they would handle all the other combinations and sale of Parcel A to the FD.

There is a sliver of village owned land between Parcel A and Parcel B. Trustee Seymour indicated he as reasons not to add this to either parcel.

On the water issue Seymour pointed out that we have RFP's out for supply studies and are applying for grants on the matter.

The church has its caretaker lot for sale and the two back lots for sale for three new lots for subdivision. The church hall and the church are not for sale.

An option of a restrictive covenant on the parking lot Parcel A was brought up but Tr Kovalchik had other thoughts. He does not want to see a permanent end of other uses in the future. Trustee Kovalchik reminds the parties that parts of the area under discussion are in our new zone NMU but not all of the land being considered is in that zone.

DM Blundell repeated that the fire department is the primary beneficiary but there can be a clear argument made that the parking is needed and can be considered a community benefit.

We will await appraisal documents and consider all the details in the interim.

Meeting adjourned at 11:40 am.

Attorney/client meeting occurred immediately afterward to further review precise legal details on the village's authority to purchase and lease land. Counsel will do some more research but info conveyed is current and accurate.

A handwritten signature in cursive script, appearing to read "Cynthia Cole".