

# Troy Industrial Development Authority

May 19, 2017  
10:00 AM  
Meeting Minutes

**Present:** Kevin O'Bryan, Tina Urzan, Steve Strichman, Brian Carroll, Paul Carroll, Hon. Dean Bodnar and Lou Anthony

**Absent:** Hon. Robert Doherty, Susan Farrell, and Adam Hotaling

**Also in attendance:** Justin Miller, David Sarraf, Sharon Martin, Deanna DalPos, Jim Lozano and Denee Zeigler.

The Chairman called the meeting to order at 10:00 a.m.

## I. Minutes

The board reviewed the minutes from the April 28, 2017 board meeting.

**Tina Urzan made a motion to approve the April 28, 2017 meeting minutes.**

**Hon. Dean Bodnar seconded the motion, motion carried.**

## II. Initial Project Resolution – 10 River Street, LLC

Mr. Strichman advised David Sarraf is here to present his project that will be at the former Old Brick building located at 10 River Street. He advised that there will be approximately 80 units and it will be a \$13 Million dollar project. Mr. Sarraf introduced himself to the board and advised that he is from Fairbanks Properties and 10 River Street, LLC. He advised that his project will be 80 apartments consisting of studios, one and two bedroom apartments. He advised that there will be at least one, three bedroom apartment. Mr. Sarraf advised that they will be free market apartments; a little higher rent than the average in the neighborhood surrounding the project, but it will help create something different for the area and provide amenities that aren't available elsewhere. He added that there will be parking across the street as well as a park across from the entrance to the building. Mr. Sarraf noted that the entrance space will be moved from River Street and will be more of a courtyard entrance. He advised that they are trying to create something different for the area. Mr. Sarraf advised that all approvals have been received through SHPO, planning and zoning.

The chairman asked why this project, with market rate apartments, should receive IDA benefits. Mr. Sarraf advised that IDA assistance is needed for a project such as this in order for it to make sense economically and to assist with bank financing. The rents he is asking are on the higher than are typically seen in this area would create about a 1% return without the IDA's assistance. The board noted the risk for this project. Mr. Sarraf advised that he is aware of the risk and noted that this is something completely different for this neighborhood. The chairman agreed that this is a pioneer project for that area. Mr. Sarraf

noted that there is a thriving neighborhood to the east which he has had many conversations with and they are excited about the project. Mr. Sarraf noted that there are no projects of this scale with this many units in the neighborhood and that is the risk. The board asked if they are able to create higher end apartments for \$169,000 per unit. Mr. Sarraf advised that this amount is in line with a project we recently completed in Albany that was very similar to this building. The chairman advised this is the type of project we should be assisting because of the location and the use; this will be the first of its kind in that neighborhood and we should be doing things to expand the viability of neighborhoods in all parts of the city. Mr. Bodnar asked about the project recently completed by them in Albany. Mr. Sarraf advised they just finished the Arcade Building. Mr. Bodnar asked about what length of a PILOT are looking for. Mr. Strichman noted they are asking for a 20 year PILOT. Mr. Bodnar advised noted that this is different than some of the other projects we have looked at recently that were buildings previously not on the tax rolls. The board agreed that this building was recently on the tax rolls. Mr. Bodnar noted that when we start the PILOT negotiations, we start at the base value and work up to the full taxes. Mr. Miller advised that is correct, we will not start below the base value. Mr. Strichman advised that the building has a current assessment of \$625,000 and \$200,000 for the parking lot. The board had a general discussion on the park parcel. Ms. Urzan asked about the rent for each unit and what is included in the price. Mr. Sarraf advised that rents will be between \$900-\$2,000 and include all utilities except electric. Ms. Urzan asked if there will be any low income apartments. Mr. Sarraf advised no, only market rate and high end. The chairman advised that they do have a letter of interest from the bank regarding the project. Mr. Bodnar noted that there was a project similar to this being proposed at this site before and it did not happen. Mr. Miller explained that the previous project only went through the approval process with this board and did not get planning/zoning approval. Mr. Sarraf noted that they have received all of the necessary approvals and are ready to move forward with construction. Mr. Miller asked about the construction loan timing. Mr. Sarraf advised that he will try and close his construction loan by the end of June. Mr. Miller advised that as long as the IDA approves the project, the sales tax and mortgage recording tax exemption can be closed prior to the PILOT. Mr. Strichman noted that they also have received a letter of support from the neighborhood group. The board asked what his management capacity is. Mr. Sarraf explained that Fairbanks properties is a property management company; they have a separate company for construction. Mr. Sarraf advised that they are based out of Albany and currently manage about 50 units. The board asked how many jobs would be created from this project. Mr. Sarraf advised that there will be two jobs created as a result of this project; a maintenance person and property manager that would both be exclusive to this property. (See attached Resolution 05/17 #1)

**Paul Carroll made a motion to approve the Initial Project Resolution for 10 River Street, LLC.**

**Lou Anthony seconded the motion, motion carried.**

The board had a general discussion on transformational projects for neighborhoods such as this; noting the School One project as a similar type of project. Mr. Carroll advised that we as a board should take a hard look at market rate projects that don't have an obvious benefit to the city; he doesn't want to be characterized as offering deals to these types of projects. The chairman agreed. Mr. Carroll agreed that this project is on the line of residential

to the industrial zone and can be considered transformational. Ms. Urzan asked if the terms of the project can be cut down from 20 years. Mr. Strichman noted that he is still working out the details, but it look like it will stay at 20 years. The board agreed that overall it was a good presentation. Ms. Urzan noted that she would like to see additional jobs come out of the projects. The board agreed, but noted that residential projects have many other benefits that come out of them. Mr. Carroll noted that this may help to create jobs in other ways; another neighborhood restaurant or that sort of thing.

### III. E-Civis grant software

Mr. Strichman advised that we previously approved to purchase the grant software, but have a clarification regarding the agreement between the IDA and CRC. Mr. Miller advised that the IDA will be purchasing the software and the CRC will provide the IDA 50% of the cost in the form of a grant over the next three years. Mr. Strichman noted that the CRC and the IDA will be co-owners and allow us to look for grant money. Mr. Miller added that the IDA cannot give out grants so they will be funding the software, but the CRC is able to give grants. Brian Carroll asked for clarification on grants given to by the CRC. Mr. Miller advised that they can grant funds to not for profits and government entities such as the city.

### IV. Executive Directors report

Bow-Tie Cinemas - Mr. Strichman advised that the city council approved the LDA and they are preparing to come in front of the planning commission in June/July. They will be coming in before us in August. The board advised they look forward to reviewing that proposal seeing as the parcel has not been on the tax rolls for years. The board had a general discussion of the projects that have been proposed at this site.

Uncle Sam Garages – Mr. Strichman advised that Uncle Sam parking garage is behind in their PILOT payment that was due in January. He advised a notice of demand has been sent out. The board had a general discussion of the consequences that should take place when projects repeatedly get to the point of needing a notice of demand. Brian Carroll agreed and wanted to note that lack of payment trickles down to the school districts. The board agreed. Mr. Miller explained that if he pays by the deadline then all goes back to the way it was, if he pays on June 2<sup>nd</sup> then the project is back on the tax rolls and there would be a different set up steps that they would follow.

Upcoming grant application – Mr. Strichman noted that an application will be going into the state for a grant that will include the Taylor Apartments.

### V. Financials

Mr. Lozano went over the balance sheet and advised there are a couple significant changes. He advised that cash went down about \$500,000 as a result of the purchase of the Mlock parcel. He advised that the details regarding the agreement will show next month. The chairman noted that this amount will balance out over time as money comes in regarding the project on that site. Mr. Lozano advised that not much has changed with the liabilities for the month. He advised about \$1,000 listed for income and about a \$16,000 deficit year to date.

He advised that most of the charges were for professional services and fees related to the Mlock site

**Brian Carroll made a motion to accept the financials as presented.**

**Tina Urzan seconded the motion, motion carried.**

VI. Adjourn the IDA portion

The chairman noted that we have a CRC agenda to discuss.

**Brian Carroll made a motion to adjourn the IDA portion of the meeting and convened the CRC.**

**Tina Urzan seconded the motion, motion carried.**

The IDA was adjourned at 10:46 a.m.

The IDA was reconvened at 10:57 a.m.

VII. Adjournment

With no other items to discuss, the IDA portion of the meeting was adjourned at 10:57 a.m. The next meeting will be June 16<sup>th</sup>.

**Tina Urzan made a motion to adjourn the IDA meeting.**

**Hon. Bob Doherty seconded the motion, motion carried.**

**INITIAL PROJECT RESOLUTION**  
(10 River Street LLC Project)

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on May 19, 2017 at 10:00 a.m., local time, at 433 River Street, 5<sup>th</sup> Floor, Troy, New York 12180.

The meeting was called to order by the Vice Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Kevin O’Bryan	X	
Hon. Dean Bodnar	X	
Hon. Robert Doherty		X
Brian Carroll	X	
Louis Anthony	X	
Paul Carroll	X	
Adam Hotaling		X
Susan Farrell		X
Tina Urzan	X	

The following persons were ALSO PRESENT: Justin Miller, David Sarraf, Sharon Martin, Deanna DalPos, Jim Lozano and Denee Zeigler.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of 10 River Street LLC.

On motion duly made by Paul Carroll and seconded by Lou Anthony, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Kevin O’Bryan	X			
Hon. Dean Bodnar	X			
Hon. Robert Doherty				X
Brian Carroll	X			
Louis Anthony	X			
Paul Carroll	X			
Adam Hotaling				X
Susan Farrell				X
Tina Urzan	X			

Resolution No. 05/17 #1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF 10 RIVER STREET LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **10 RIVER STREET LLC**, for itself and/or on behalf of an entity to be formed (collectively, the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold interest in approximately 1.16 acre parcel of real property located at 2 River Street, Troy, New York 12180 along with portions of a parcel of real property located at 245 First Street, Troy, New York 12180 (collectively, the "Land", being more particularly identified as TMID No. 100.76-9-24 and a portion of TMID No. 100.84-2-2) and the existing 4.5-story building located at 2 River Street, along with related parking, site and infrastructure improvements located thereon (the "Existing Improvements"), (ii) the planning, design, engineering, construction, reconstruction, rehabilitation and improvement of the Land and Existing Improvements into a residential apartment facility containing up to 80 apartment units to be leased by the Company to residential tenants, including improvements to and replacements of roofs, interior and exterior utilities, elevator, building systems, windows, exterior access and egress improvements, curbage, parking, landscaping and related exterior improvements (collectively, the "Improvements"), (iii) the acquisition and installation by the Company in and around the Land, Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's development of the Project in and around the Land, Existing Improvements and Improvements (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (iv) the lease of the Facility to the Company; and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed Financial Assistance being contemplated by the Authority includes (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) an Agent and Financial Assistance and Project Agreement (the "Agent Agreement"), (B) a Lease Agreement, pursuant to which the Company leases the Project to the Authority (or, a Deed of conveyance to the Authority whereby the Authority will acquire fee title

to the Land and Project), (C) a related Leaseback Agreement, pursuant to which the Authority leases its interest in the Project back to the Company, (D) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (E) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the PILOT Agreement are consistent with the Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 5. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK )  
COUNTY OF RENSSELAER )

I, Denee Zeigler, the undersigned, Acting Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on May 19, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Authority had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Authority present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 19<sup>th</sup> day of May, 2017.

*Denee Zeigler*

