

# City of Troy Industrial Development Authority

January 15, 2016

10:00 AM

Meeting Minutes

**Present:** Kevin O'Bryan, Bill Dunne, Hon. Robert Doherty, Paul Carroll, Tina Urzan and Sue Farrell

**Absent:** Kathy Ceitek, Lou Anthony, Hon. Dean Bodnar and Steve Bouchey

**Also in attendance:** Justin Miller, Damien Pinto-Martin, Ken Crowe, Mark Robarge, James Lozano, Mike Demasi, Deanna DalPos, and Denee Zeigler

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

I. Public Hearing – Redburn Development Companies, LLC

(See attached public hearing agenda)

II. Minutes

The board reviewed the minutes from the December 11, 2015 board meeting.

**Paul Carroll made a motion to approve the December 11, 2015 meeting minutes.**

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

III. Board Member Evaluations

Bill Dunne reminded the board to complete the yearly board member evaluations, financial disclosures and fiduciary forms as well as complete any board member trainings that are necessary.

IV. Start-Up NY

Mr. Dunne spoke about a recent meeting he had with Penny Hill of HVCC regarding the Start-Up NY program and how the Troy IDA might be able to get involved. He advised that a sample MOU can be drafted and sent around to the board members explaining how the IDA can extend Start-Up NY tax credits to projects that may come to us. He advised that the projects will have to fit the criteria and go through the approval process with HVCC and NYS to qualify, but the advantage it gives us is that it will not impact the square foot allocation that HVCC was given. Mr. Dunne spoke about a couple of projects that were able to take advantage of the 250,000 sq ft requirement; the Quackenbush building and Ross Tech Park. Mr. Dunne explained that it could be another tool for us to attract new businesses and create new jobs. He advised an MOU will be sent around for the board to review.

V. Financials

Mr. Lozano gave an overview of the operating statement. He advised that the report goes through the end of the year and shows \$105,000 in revenue versus \$675,000 in expenses leaving a deficit of \$570,000. He noted two significant expenses during the year that were one-time items; architectural and engineering services for the Riverfront Park Access project and an easement for the Mlock parcel. Mr. Lozano noted that the year-end numbers are significantly different than the previous year. The chairman asked about the reimbursement under due from other governments. Mr. Dunne advised yes, \$250,000 will be coming to the IDA from the City for the work done at the Riverfront Plaza stairs. He advised that it was previously a parking deck that was unsafe and falling down. The IDA was able to help fund the removal of the dilapidated parking deck and create a staircase that allows access to Riverfront Park from the businesses on River Street. Mr. Dunne advised that the city recently received the reimbursement and will be forwarding it on to us. The chairman wanted to note that the funding will help, but not alleviate our issues completely. We will have further discussions about stabilizing business going forward. Mr. Lozano advised that there is not much in liabilities, most items are on the assets side.

Mr. Lozano explained that there may be a better format to present the financials to the board that will help to clarify what happens from month to month. Mrs. Urzan advised she would like to have some additional information that explains the background and not just the totals. He will present this same format next month along with a new format.

Mr. Doherty asked for clarification on how we start out with a negative amount for the year. The chairman explained where the negative amounts are coming from. A general discussion took place about the finances and the board was reminded that projects need to keep coming in to generate income.

**Sue Farrell made a motion to approve the financials as presented.**

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

The board adjourned the IDA portion of the meeting at 10:35 a.m. in order to convene as the CRC.

**Tina Urzan made a motion to adjourn the IDA portion of the meeting and convene as the CRC.**

**Susan Farrell seconded the motion, motion carried.**

The IDA portion of the meeting was re convened at 10:40 a.m.

**Tina Urzan made a motion to re-convene the IDA portion of the meeting.**

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

VI. Board Member terms

Mr. Miller advised that eight out of the nine members have continued to serve on the board from the previous administration. Some restructuring may happen with the new administration. Mr. Miller advised that one member has received a three year term. He thanked them for their services. Mr. Doherty advised that

they spoke with the Mayor's legal counsel and didn't receive a sense if they were staying or not. The chairman advised that they have not heard anything but will keep them informed if there are any changes.

VII. Executive Session

Mr. Dunne advised the board that there are some staffing and legal items that need to be discussed in executive session

**Bob Doherty made a motion to enter into executive session to discuss staffing and legal items.**

**Paul Carroll seconded the motion, motion carried.**

The board returned from executive session with no action taken.

VIII. Staffing

Mr. Doherty asked if this will be an annual stipend. Mr. Miller advised that the approval will only be for one year and an agreement will be drawn up.

**Sue Farrell made a motion to approve a \$10,000 stipend to Acting Secretary Denee Zeigler for one year.**

**Paul Carroll seconded the motion, motion carried.**

IX. Adjournment

With no additional business to discuss, the IDA portion of the meeting was adjourned at 11:05 a.m.

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

**Paul Carroll seconded the motion, motion carried.**

PUBLIC HEARING AGENDA  
TROY INDUSTRIAL DEVELOPMENT AUTHORITY  
Redburn Development Companies, LLC – School 1 Redevelopment Project  
JANUARY 15 AT 10:00 A.M.  
CITY HALL, 433 RIVER STREET, 5<sup>TH</sup> FLOOR, TROY, NEW YORK 12180

Report of the public hearing of the Troy Industrial Development Authority (the “Authority”) regarding the Redburn Development Companies, LLC Project held on Friday November 20, 2015 at 10:00 a.m., at the Troy City Hall, located at 433 River Street, 5<sup>th</sup> Floor, Troy, New York 12180.

I. ATTENDANCE

Kevin O’Bryan, Chairman  
William Dunne, Authority CEO  
Justin S. Miller, Esq., Authority Transaction Counsel  
Hon. Bob Doherty, Board Member  
Tina Urzan, Board Member  
Paul Carroll, Board Member  
Susan Farrell, Board Member  
Damien Pinto-Martin, Redburn Development Companies, LLC  
James Lozano  
Ken Crowe  
Mike Demasi  
Deanna DalPos

II. CALL TO ORDER: (Time: 10:00 a.m.). Kevin O’Bryan opened the hearing and Justin Miller read the following into the hearing record:

This public hearing is being conducted pursuant to 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 (collectively, the “Act”). A Notice of Public Hearing describing the Project was published in *Troy Record*, a copy of which is attached hereto and is an official part of this transcript. A copy of the Application submitted by Redburn Development Companies, LLC to the Authority, along with a cost-benefit analysis, is available for review and inspection by the general public in attendance at this hearing.

III. PROJECT SUMMARY

**REDBURN DEVELOPMENT COMPANIES, 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 or other interest in certain parcels of real property located at, adjacent or near 2955 Fifth Avenue, Troy, New York 12180 (the “Land”, being primarily comprised of approximately .51 acres and identified as TMID No. 090.070-7-1 and adjacent realty) and the existing improvements located thereon, including a 4-story building containing approximately 35,366 sf of rentable commercial

space and related improvements located thereon (the “Existing Improvements”, being formerly owned and operated as School 1 by the Enlarged City School District of Troy); (ii) the planning, design, rehabilitation, construction, reconstruction and renovation of the Existing Improvements and upon the Land of a commercial apartment building that will include 28 units of residential apartments and related amenities, along with renovations to the building structure, common areas, heating systems, plumbing, roofs, elevators, windows, and other onsite and offsite parking, curbage and infrastructure improvements (collectively, the “Improvements”); and (iii) the acquisition and installation in and around the Land, Existing Improvements and Improvements of certain machinery, equipment and other items of tangible personal property (the “Equipment”, and collectively with the Land, Existing Improvements, Improvements and the Equipment, the “Facility”).

It is contemplated that the Authority will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the leases. The Authority contemplates that it will provide financial assistance (the “Financial Assistance”) to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the Project; (b) mortgage recording tax exemptions(s) related to financings undertaken by the Company to construct the Facility; and (c) a partial real property tax abatement structured through a PILOT Agreement. The foregoing Financial Assistance and the Authority’s involvement in the Project are being considered to promote the economic welfare and prosperity of residents of the City of Troy, New York.

IV. AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$2,000,000. Based upon additional information provided by the Company, the Agency estimates the following amounts of financial assistance to be provided to the Company:

Mortgage Recording Tax Exemptions (\$1.4M Mortgage)	=	\$17,500.00
Sales and Use Tax Exemptions (Estimated \$700,000.00 in taxable materials)	=	\$55,000.00
PILOT Savings - estimated	=	\$ 525,160.00
<b>Total estimated Financial Assistance</b>	=	<b>\$ 597,660.00</b>

V. SEQRA:

The Planning Commission of the City of Troy (the “Planning Commission”), as lead agency pursuant to the State Environmental Quality Review Act and regulations adopted pursuant thereto (collectively, “SEQRA”). The Authority will await final action on the Project until the Planning Commission has adopted a negative declaration (the “Negative Declaration”) with respect to the Project.

## VI. PUBLIC COMMENTS

Damien Pinto-Martin spoke about the current status of the project to the board members. He advised that they are finishing up the architectural drawings and elevations. We plan to keep the historic feel of the building with little change to the exterior; adding lighting and cameras. Mr. Pinto-Martin advised that they will also keep the inside similar. They have received Zoning Board of Appeals and the Planning Commission approval is pending. Mr. Pinto-Martin advised that the offer of touring one of their other properties is still open. Tina Urzan said she would be in contact with them. The chairman noted that this is another project happening outside of the central business district.

Susan Farrell asked about the other properties owned by Redburn Development. Mr. Pinto-Martin explained that they own the former Nelick's building at 172 River Street, the former Tilly ladder Co. in Watervliet and Sycaway Hill; which is made up of buildings on Tibbits Ave., South Lake Ave. and Prout Ave. Mrs. Urzan asked about the current layout of the building. Mr. Pinto-Martin explained that there are currently about 19 classrooms in the building which will convert to between 26-28 units. Mrs. Urzan asked about the gym area. Mr. Pinto-Martin advised that area had already been converted to office space and will become apartments. He noted that there is a great vaulted ceiling in that area and added that the apartments will be a good size. Mrs. Urzan asked about the blackboards. Mr. Pinto-Martin advised that, if applicable, we will leave them and remove the drop ceilings.

Mr. Doherty asked about the process of leasehold. Mr. Miller gave background on the lease-leaseback process. He advised that they will own the property, but for purposes of giving them tax exemptions, they will lease it to us and we lease it back to them. The IDA does not have ownership rights but allows us to offer sales tax exemptions and releases us from any liability. Mr. Miller advised that once the PILOT is over, the lease-leaseback dissolves on its own, no lengthy process is needed.

## VII. ADJOURNMENT

With no additional comments, the public hearing was closed at 10:10 a.m.