

# City of Troy Industrial Development Authority

June 12, 2015

10:00 AM

Meeting Minutes

**Present:** Kevin O'Bryan, Bill Dunne, Kathy Ceitek, Hon. Robert Doherty, Hon. Dean Bodnar and Lou Anthony

**Absent:** Steve Bouchey, Tina Urzan and Lisa Kyer

**Also in attendance:** Justin Miller, Selena Skiba, Ken Crowe, Sharon Martin, Andrew Piotrowski, Jeanette Nicholson, Redman Griffin, Jeff Mirel and Denee Zeigler

The Chairman called the meeting to order at 10:07 a.m. He apologized for the delay and advised the TLDC meeting ran a little longer than usual.

I. Minutes from the May 8, 2015 board meeting

The board reviewed the minutes from the May 8, 2015 board meeting.

**Hon. Bob Doherty made a motion to approve the May 8, 2015 meeting minutes.**

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

II. 501 Broadway LLC

Mr. Dunne spoke briefly about the project at 501 Broadway and introduced Redman Griffin and Jeff Mirel to discuss the project. Mr. Griffin advised since last meeting they have been in front of the Historic Review Committee, Planning and Zoning. Mr. Mirel advised they have had some time to go through their finances and firm things up. He advised that the project is moving along and they are very excited. The chairman noted that this resolution is for acceptance of the application and negotiations will be forth coming. Mr. Doherty noted the applicant's reputation for successful projects and enthusiasm. Dean Bodnar also advised he is excited about the project and would like to set up a time to take a look at the property if possible. Mr. Mirel advised that they could set up a before and after tour. (See attached Resolution 06/15 #1)

**Hon. Dean Bodnar made a motion to approve the Initial Project Resolution for Rosenblum Development Corporation at 501 Broadway.**

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

III. 599 River Street

Mr. Dunne advised the board that The Community Builders received approval for the Housing Tax Credit from NYS HCR and will be coming to us with an application. He advised they will be talking with them about the terms of the PILOT payment and noted that it may be a longer than usual PILOT in order to match the funding through HUD.

Mr. Dunne also spoke about the changes in the composition of apartments that will be building. He advised that originally, we spoke about workforce housing with an income of about \$44,000 - \$60,000. Mr. Dunne advised that after discussions, Community Builders will be going a different route with the apartments. They will have seven market rate units in the 60% AMI range and the remaining units will be below 50% AMI. Mr. Dunne noted that this will be a large project that will renovate a building that has been vacant for quite some time and not create many jobs. Mr. Dunne advised that they have gone through Planning and Zoning already. He advised that an updated copy of their application will be forwarded onto the board members. The board had a general discussion on their mission as an IDA. Mr. Doherty advised they did a great job on the Monument Square project. Mr. Bodnar asked about the length of the application for the project. Mr. Dunne advised that they have been waiting for the application process to be completed with NYS HCR before they moved forward with the IDA application. Mr. Dunne noted that they already purchased the building.

#### IV. Financials

Selena Skiba noted the cash. Accounts receivable is made up of loan invoices and one past due PILOT. Mrs. Skiba introduced Andrew Piotrowski to the board members to discuss a question that had come up last month regarding loan receivables and the allowance for doubtful accounts. Mr. Piotrowski explained that the accounting system used causes the allowance to be made up of a portion of the accounts receivable and the loan receivable as a whole. He explained that allows them to send out the monthly invoices to the companies with a breakdown of their payment.

Mrs. Skiba spoke about the recommendation to write off the loan from the last meeting. After discussing with Joe Mazzariello, it was determined that the best course of action would be if we can get something in writing from Harris Beach stating that the debt is considered uncollectable, then it can be presented to the board to have it written off. The board took no action on this item.

Mrs. Skiba advised that due from other governments is for Riverfront Park Access project. She noted that pre-pays are as of May 31<sup>st</sup>. The due to other governments is a combination of PILOTs and management fees.

Mrs. Skiba advised the operating statement contains administration fees and expenses. She advised nothing else notable.

Mr. Doherty asked about the allowance for doubtful accounts. The chairman advised that we discussed this earlier in the meeting briefly. Mr. Piotrowski spoke again about the accounting system and how it determines the amount for doubtful accounts. Mr. Miller asked about the accounts receivable amount showing outstanding for \$16,000. Mr. Piotrowski advised is an outstanding PILOT payment.

The board had a discussion on the outstanding loan mentioned earlier in the meeting. Mr. Miller advised if any account is more than 30 days behind a default letter should be sent and penalties cannot be waived. Mr. Bodnar asked if we write off a loan that doesn't mean that we don't go after them. The chairman advised that is correct. The board had a general discussion on the handling of past due bills and the standards on collecting. Ms. Ceitek asked if the City has a policy on how to handle these accounts. Mr. Bodnar asked how far behind is the

account. Mr. Piotrowski advised eight months. Mr. Anthony agreed that typically if an account is 30 days past due it would be considered in default.

Mr. Dunne advised the board that the loan in default is for IBT. He explained that the received a loan at the end of 2010 for \$200,000 in order to maintain a certain level of employment in the City of Troy, which they did not do. The board agreed that if the loan is this far behind it should be written off to bad debt.

**Hon. Dean Bodnar made a motion to write off the loan for IBT to bad debt.**

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

V. New Business

Mr. Dunne spoke to the board about a proposal given to him by Mike Castellana who is working on behalf of the Capital Region Economic Development Council to compete for additional funding that is not CFA related. Mr. Dunne advised McKinsey & Co. was chosen as the firm to conduct the study. They are asking local IDA's if they are interested in helping fund the study by donating \$100,000. Mr. Dunne noted that he did present the idea to the Troy LDC also.

VI. Adjournment

The IDA meeting was adjourned at 10:45 a.m.

**Hon. Dean Bodnar made the motion to adjourn the IDA meeting.**

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

**INITIAL PROJECT RESOLUTION**

*(Rosenblum Development Corporation – 501 Broadway Redevelopment Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on June 12, 2015, at 10:00 a.m., local time, at 433 River Street, Troy, New York 12180.

The meeting was called to order by the 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	<b>X</b>	
Hon. Dean Bodnar	<b>X</b>	
Hon. Robert Doherty	<b>X</b>	
Steve Bouchey		<b>X</b>
Louis Anthony	<b>X</b>	
Paul Carroll		<b>X</b>
Kathy Cietek	<b>X</b>	
Lisa Kyer		<b>X</b>
Tina Urzan		<b>X</b>

The following persons were ALSO PRESENT: Justin Miller, Selena Skiba, Ken Crowe, Sharon Martin, Andrew Piotrowski, Jeanette Nicholson, Redman Griffin, Jeff Mirel 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 Rosenblum Development Corporation, for itself or an entity to be formed.

On motion duly made by Hon. Dean Bodnar and seconded by Louis Anthony, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Kevin O’Bryan	<b>X</b>			
Hon. Dean Bodnar	<b>X</b>			
Hon. Robert Doherty	<b>X</b>			
Steve Bouchey				<b>X</b>
Louis Anthony	<b>X</b>			
Paul Carroll				<b>X</b>
Kathy Cietek	<b>X</b>			
Lisa Kyer				<b>X</b>
Tina Urzan				<b>X</b>

Resolution No. 06/15 #1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF ROSENBLUM DEVELOPMENT CORPORATION, FOR ITSELF OR AN ENTITY TO BE FORMED (COLLECTIVELY, 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, **ROSENBLUM DEVELOPMENT CORPORATION**, 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 501 Broadway, Troy, New York 12180 (the "Land", being more particularly identified as TMID Nos. 101.54-3-1) and the existing improvements located thereon, including an approximately 51,000 square foot, multi-level structure, along with related improvements (the "Existing Improvements"); (B) the partial demolition, renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to create 28 units of commercial rental housing and approximately 10,000 square feet of commercial and retail space, along with the installation and improvement of common areas, HVAC systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the "Improvements"), all of the foregoing intended for the Company's ownership and operation of the Improvements as a mixed-use, commercial housing and retail facility that will be leased by the Company to residential and commercial tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back 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 civic, 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) a Lease Agreement, pursuant to which the Company leases the Land and Existing Improvements to the Authority, (B) a related Leaseback Agreement, pursuant to which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) 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**

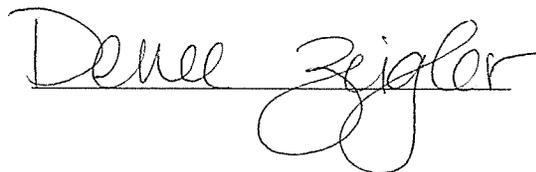
STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    )

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 June 12, 2015, 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 12th day of June, 2015.



(SEAL)