

City of Troy Industrial Development Authority

September 11, 2015

10:00 AM

Meeting Minutes

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

Absent: Steve Bouchey

Also in attendance: Justin Miller, James Lozano, Andrew Piotrowski, Sue Farrell, Mayor Louis Rosamilia, and Denee Zeigler

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

I. Minutes from the July 10, 2015 board meeting

The board reviewed the minutes from the July 10, 2015 board meeting.

Tina Urzan made a motion to approve the July 10, 2015 meeting minutes.

Hon. Dean Bodnar seconded the motion, motion carried.

The board moved item #2 down to item #6.

II. Vecino Group New York, LLC – 444 River Street

Bill Dunne explained that this project application has been in front of the board before. He advised that they were not able to advance the project so they made some changes to the make up of the units. Of the 74 units, 75% will be market rate and the rest will be subsidized at 90% AMI. They have an opportunity to apply for additional funding through NYS HCR that could advance the project sooner. The applications for funding are due at the end of October. Mr. Dunne advised the sooner they get to work on the building, the better. It will also speed up the process of the Troy LDC getting their final payment and work can start in the spring. Hon. Dean Bodnar asked if this means the LDC could be paid off as early as October of this year. Mr. Dunne advised yes, hopefully by the end of the year. This is their application and resolution for the board to review. PILOT terms will be discussed if the application is approved. Mr. Miller noted the process and advised a public hearing will take place before anything is finalized. Mr. Bodnar asked if the nature of the project is residential. Mr. Dunne advised that there is some room on the first floor for commercial. The board noted that PILOT discussions have been taking place for quite some time on this project. Mr. Miller spoke on the history of the building and the process that has taken place so far. (See attached Resolution 09/15 #1)

Hon. Bob Doherty made a motion to approve the application and initial resolution for Vecino Group New York, LLC's project at 444 River Street.

Hon. Dean Bodnar seconded the motion, motion carried.

III. Board member vacancy

Mr. Dunne spoke to the board about the vacancy for a Lansingburgh School Board. He introduced Sue Farrell to the board as a possible replacement and noted that it will be a mayoral appointment. Mayor Lou Rosamilia was invited to observe.

IV. The Community Builders – 599 River Street

Mr. Dunne advised the board that there is nothing to vote on at this time, this item will be on a future agenda. They are currently sorting out details on housing and will also be applying for the additional funding through NYS HCR. He advised that it will be a mix of different AMI's. The board had general discussion about what AMI is.

Mr. Miller noted that the initial application was received in December of 2014 but did not move forward with public hearings and PILOT agreements. Hon. Dean Bodnar asked about the use of the building. He had heard that it may be a women's shelter. Tina Urzan also heard that a portion of the building being used as some form of a shelter. Mr. Dunne advised he has not seen that on any of the applications. He added that he has had several conversations with Community Builders about the different types of housing situations that would be possible at that location. The chairman noted that they will have to come back to us to discuss in the project in detail. Mr. Doherty explained that the critical issue will be accountability of how the applicant has handled themselves in the past. Mr. Dunne has added that they have already gone through the planning process as rental apartments. If it changes, they will have to go back through.

V. Response to ABO findings

The chairman advised that the board is not required to respond to the recent IDA audit by the ABO, but he would like to explain how the findings will be handled going forward. Mr. Dunne advised the board can read it and get back to him at next month's meeting.

VI. Engagement of Financial Services

Mr. Dunne advised that we did not meet last month. An RFP was sent out to six firms for CFO services. Mr. Dunne noted that we did receive a proposal back from James Lozano of CFO for Hire. He advised that they are CFO for the Rensselaer County IDA. The chairman advised he is very familiar with Mr. Lozano and CFO for Hire. He added that this is exactly the type of work they do. Mr. Dunne advised that they are going to meet with Mr. Lozano next week and will have some space here that they can use. Mr. Doherty expressed concern that they have already been chosen as CFO without much discussion and feels that it is fundamental to what we do as a board. The chairman advised that no one has been selected at this point; however we have discussed this at the last meeting in great detail. There was a clear understanding that we

would move forward for this meeting. CFO for Hire was the only firm that responded.

Mr. Dunne spoke about some of the other firms that the RFP was sent to. He advised the proposal in front of them is from CFO for Hire and if for their review. He introduced James Lozano of CFO for Hire to the board. Mr. Lozano spoke about the services they provide and stressed that they focus on operational accounting. They have been operating since 2000 and currently have clients throughout the state, but most are local. Mr. Lozano advised they work with a lot of small business and not for profits. He added that they have worked for a couple of the county IDA's in the area. The objective is to get financials done as timely as possible. Ultimately it is about the balance sheet, income statement and any other financial reports that help the board run. Mr. Doherty questioned what the major client base is and how many are in the publicly regulated area. Mr. Lozano advised only about two or three, but they are very heavily regulated over the course of the year. Mr. Doherty asked if not for profits make up a lot of the work he does. He advised yes, about 40%.

VII. Financials

Andrew Piotrowski noted that there has not been much activity in the past two months. He wanted to note that accounts receivable is negative because a PILOT payment was received at the end of last month.

The chairman advised that he had previously asked not to have a detail of the delinquent accounts showing on the financials. Looking back, it is better to have it reported on a monthly basis and asked that a detail of delinquent accounts be put back on the monthly financials. The chairman asked if there were any delinquent accounts that had to be reported on. Mr. Piotrowski advised no.

Mrs. Urzan asked about the status of IBT. The board advised that it has already been written off. Mr. Bodnar asked if we were considering legal action. Mr. Miller advised that the previous board did not complete all of the necessary paperwork in order to effectively recoup the funds.

VIII. Adjournment

The IDA meeting was adjourned at 10:39 a.m.

**Tina Urzan made the motion to adjourn the IDA meeting.
Paul Carroll seconded the motion, motion carried.**

INITIAL PROJECT RESOLUTION

(Vecino Group New York, LLC– 444 River Street Redevelopment Project)

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on September 11, 2015, 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	X	
Hon. Dean Bodnar	X	
Hon. Robert Doherty	X	
Steve Bouchey		X
Louis Anthony	X	
Paul Carroll	X	
Kathy Cietek	X	
Tina Urzan	X	

The following persons were ALSO PRESENT: Justin Miller, James Lozano, Andrew Piotrowski, Sue Farrell, Mayor Louis Rosamilia, 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 Vecino Group New York, LLC, for itself or an entity to be formed.

On motion duly made by Hon. Bob Doherty and seconded by Hon. Dean Bodnar, 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			
Steve Bouchey				X
Louis Anthony	X			
Paul Carroll	X			
Kathy Cietek	X			
Tina Urzan	X			

Resolution No. 09/15 #1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF VECINO GROUP NEW YORK, LLC, 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, **VECINO GROUP NEW YORK, 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 444 River Street, Troy, New York 12180 (the "Land", being primarily comprised of approximately .45 acres and identified as TMID No. 101.38-1-1, along with TMID Nos 101.38-2-20, 101.28-1-2, 101.38-8-3, 101.38-8-4, and 101.38-8-5 and adjacent realty) and the existing improvements located thereon, including a 5-story commercial building containing approximately 88,000 sf of rentable commercial space and related improvements located thereon (the "Existing Improvements");(ii) the planning, design, rehabilitation, construction, reconstruction and renovation of the Existing Improvements and upon the Land of a mixed-use commercial facility that will include (A) 74 units of residential apartments, with (a) 24 of such units to be leased to households that, in accordance with the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations promulgated by the United States Department of Housing and Urban Development ("HUD") and New York State Housing Finance Agency ("HFA") and/or Division of Housing and Community Renewal ("DHCR"), have no more than 90% of area median income ("AMI") and (b) 6 of such units to be leased to households that have no more than 60% AMI, (B) approximately 7,600 square feet of commercial and retail spaces on the first floor along with related amenities, along with renovations to the building structure, common areas, kitchen areas, laundry 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”); 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 September 11, 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 11th day of September, 2015.

A handwritten signature in black ink that reads "Denee Zeigler". The signature is written in a cursive style and is positioned above a horizontal line.

(SEAL)