

City of Troy

Industrial Development Authority

November 14, 2014

10:30 AM

Meeting Minutes

Present: Kevin O'Bryan, Bill Dunne, Lou Anthony, Paul Carroll, Steve Bouchey, Tina Urzan, Hon. Dean Bodnar, Mary O'Neill, Lisa Kyer and Hon. Robert Doherty

Absent:

Also in attendance: Justin Miller, Ken Crowe, Susan McCann, Selena Skiba and Denee Zeigler

The Chairman called the meeting to order at 10:30 a.m.

I. Minutes from the October 10, 2014 board meeting

The board reviewed the minutes from the October 10, 2014 board meeting.

Lisa Kyer made a motion to approve the minutes for October 10, 2014.

Paul Carroll seconded the motion, motion carried.

II. Omni Development and MLK project resolution

Bill Dunne explained that there is not a resolution for the board to vote on at this time. Mr. Dunne advised that this project, along with the Community Builders project, is applying for tax credits with an application deadline that is before our next meeting. They were hoping to get an approval letter to include with their application. Mr. Miller advised that the IDA can put a letter together stating that anticipate reviewing and possible approving the application at our next meeting and scheduling a public hearing.

Mr. Dunne recapped the project that was presented at the last meeting. The project will work to de-densify the apartments, work to connect it more to the North Central neighborhood and restore some of the apartments that were damaged by fire. Mr. Dunne noted that the buildings will be on the tax rolls for the first time. Mrs. Urzan questioned why they would be on the tax rolls. Mr. Dunne advised that the Troy Housing Authority is not the applicant, Omni Development is. The Chairman advised that there are a variety of incentives for Omni Development to do the project. Mr. Miller clarified that this phase of the project is only for the buildings located on the Martin Luther King site, not in North Central. Mr. Dunne advised that at this point approval is needed to put together a letter accepting the application of the project.

Hon. Bob Doherty made a motion to draw up a letter of support for the project at the Martin Luther King apartments.

Hon. Dean Bodnar seconded the motion, motion carried.

III. Community Builders, 599 River Street

Mr. Dunne advised that The Community Builders is in the same situation as Omni Development and introduced Susan McCann to the board to discuss their project. Mr. Dunne advised that this project has only been through zoning at this point, no planning or IDA presentations have taken place at this time. Mrs. McCann explained that the building at 599 River Street was purchased by them a few months ago with the intention of creating 67 mixed income apartments. Mrs. McCann explained that there will be tiers of housing including market rate, 60%-90% median income and affordable that will be 1 and 2 bedroom only. The building has been vacant for about 10 years now. They will be using historic tax credits to restore and sending in an application to the State Department of Housing and Community Renewal. Mrs. McCann advised they hope to be part of the revitalization of that area. In order to make it work, the IDA is asking for assistance. Mr. Dunne advised that there is another building in that area that will be renovated soon. Mr. Dunne asked for a letter that can be sent into the NYS HCR department advising that the IDA will be reviewing the application for assistance. Bob Doherty commended the work done at one of their other sites. The chairman noted that these types of letters are the exception to the rule and are not going to be done each time.

Hon. Dean Bodnar made a motion to draw up a letter of support for the project at 599 River Street.

Tina Urzan seconded the motion, motion carried.

IV. Staff expenses

Mr. Dunne handed out a spreadsheet that detailed work done by City staff for IDA services, which was requested at the last meeting. The amount listed on the spreadsheet is less than what the actual amount should be. The estimated amount is \$220,000, but through discussions with the Mayor, \$180,000 was agreed upon. The chairman clarified that the previous reimbursement amount was \$80,000 without any formal agreement. Mr. Dunne advised we were operating at that amount for several years and the amount of increased work justifies the increase. There is no additional salary paid out for work done for the boards. Mr. Doherty asked for clarification on the people on the list and their tasks. Mr. Dunne went through the list of City employees and outlined their job duties. Mr. Bouchey asked about the amount of time put in the Assistant Planner and Bill's position. Mr. Dunne explained that there is a lot of time put in for IDA business and the paperwork is accurate in reflecting that. Steve asked how the previous amount paid to the City was calculated. Mr. Dunne advised that it was carried over from previous years. Mary O'Neill stated that she does not agree with increasing the reimbursement amount to the City for shared staff services. Mrs. O'Neill advised that none of these positions would be gone if we did not approve the increase. Lisa Kyer asked if the amount was not approved, would we get less service and if the number would ever go back down if there is no work. Mr. Dunne advised that the amount approved would be based on the current year and would only be in effect for one year at a time. Mr. Dunne advised that the time listed on the spreadsheet will most likely not change. Mrs. O'Neill explained that their number of employees will not change if we do not reimburse for the services. The chairman acknowledged Mrs. O'Neill's point and added that we need to find some kind of balance with the City for using shared

services. If they are not able to do the work, then we would need to pay someone else to assist in running the IDA. Mr. Miller advised that the \$80,000 that was historically paid was based on the amount of projects that we had. Over the past couple of years, the amount of projects has increased and the IDA is much busier because of them. Mr. Bodnar advised that this topic is currently being discussed by the council because it is budget time. He advised that he cannot support the increase. Mr. Doherty also spoke about the increase and supported the increase, but not for the full amount. Mr. Doherty questioned the percentages of time put in by City staff on IDA work and suggested the amounts be lower for all listed, with the exception of the Economic Development Coordinator. Mr. Bouchey asked Mr. Bodnar if he was against any increase or just a portion. Mr. Bodnar noted a need for some increase, but is having a hard time putting a dollar amount on the increase. Mr. Bodnar wished that the timing did not coincide with the City budget they are working on with the City Council. Mrs. O'Neil noted that their financial responsibility is to the board, not the City. She advised that the board will not receive additional services if the increase is approved. Mrs. Skiba explained that over the years the total incurred by the City was always more than the \$80,000 that was paid. The maximum request is now higher based on the amount of projects in the past year.

The Chairman explained the circumstances of the request and the steps that were taken to come up with a reasonable amount. The Chairman wanted to note that all of the questions and concerns are valid. He noted that in the future it may come up that the IDA will have to expand its money to provide services the City may no longer be able to provide. Mr. Bouchey spoke about the process and noted that this is an important resolution for the board to vote on, but agreed the timing is unfavorable. The Chairman advised that he will entertain a motion for a lesser amount. Mr. Dunne spoke in detail about the staff time spent on the IDA projects.

**Paul Carroll made a motion to approve the increase in payment for City staff services to \$180,000.
No second, motion denied.**

Lou Anthony asked if anyone has looked into the value of the IDA to justify the increase. Have we made money and is it because of the diligent work of the people listed on the spreadsheet. The Chairman advised that the IDA has made money and can afford the increase. Mr. Anthony spoke about the increase from a business standpoint. Mr. Dunne advised that the agreement will be changed to show that this will have to be done each year. Mr. Dunne spoke about the percentages of each City staff member and the work they do to justify that amount. The amount we reimburse to the City may determine the amount of services we will be able to use for IDA work. The Chairman noted that at the end of the year, we may have to evaluate to see if staff needs to be hired by the IDA. Mr. Dunne added that the amount of work that this IDA has accomplished in the past year has increased dramatically and has become a very effective tool for economic development in the City. Mr. Dunne added that there were some people that were not aware the City had an IDA until recently. Mr. Bouchey also spoke on behalf of evaluating this each year. He added that the IDA is a division of the City, it's good for the City and we need to bring this reimbursement up to current amounts.

Mr. Doherty suggested increasing the amount about 85% but is concerned that there is a possibility of reduction of City staff support. Mr. Miller explained that over the last six years about \$1.3 Million has been generated in revenues and has been put directly back into the City for economic development. Mr. Anthony noted that we need to be fiscally responsible for our entity even though we are linked to the City. He suggested that we revisit this every six months in order to track it yearly. Mr. Anthony commended the current board for the work that has been done. Tina Urzan asked about the percentages of time that they are putting into City projects and if any grant money is used to reimburse. Mr. Dunne explained that the IDA is not involved with the CDBG grants. Those grants do reimburse administrative costs for other departments. Mr. Dunne advised when more time is spent on IDA projects, staff responsibilities are shifted so that all work gets done. Mr. Dunne spoke about the bylaws of the IDA. Mr. Miller explained that the IDA can reimburse the City for shared staff services and advised there is no paid staff on the IDA. Mrs. Urzan asked about fringe benefits. Mr. Dunne advised it illustrates the breakdown for health care and retirement of the shared staff. Mr. Dunne advised that the City is advising that if additional time is being spent on projects, than additional reimbursement is needed. The chairman advised that we do owe the City something for staff services and asked if the board was satisfied with the debate that has taken place. Mrs. O'Neil advised that she is not for the increase in staff services if the money generated by the IDA is given back to the City already through economic development projects.

**Steve Bouchey made a motion to approve an increase in payment for City staff services to \$150,000.
Hon. Bob Doherty seconded the motion.
6 Ayes, 3 Nay, motion carried.**

The chairman thanked the board and appreciated the discussion that took place. Mr. Dunne advised the Schedule A in the City's budget will have to reflect the change. Mr. Bouchey wanted to note that each board member comes from different backgrounds and that is what makes this work.

V. Financials

Selena Skiba went over the balance sheet that was previously circulated to the board members. She advised there was nothing notable. The operating statement shows administrative fees of \$225,000 with an additional \$16,000 just received in November. Mrs. Skiba noted a significant expenses for 273 River Street project. She advised the net income is around \$20,000. Mrs. Skiba advised that a couple of projects that are behind in payments, City Station West and IBT. Mr. Dunne asked about IBT's guarentees. Mr. Miller explained that there is a personal guarantee that we can send a thirty day notice in order to try and collect. Mr. Bodnar asked if they are still in business. Mr. Anthony advised that they are all out of that space. Mr. Miller asked if there is a balance on their City loan. Mrs. Skiba will look into. She advised that the new chariman has to be added as a signer on the IDA account.

**Steve Bouchey made a motion to add the chairman, Kevin O'Bryan, as a signer for the IDA account.
Paul Carroll seconded the motion, motion carried.**

VI. Executive Session

Mr. Miller advised there are pending litigation items that may affect the price that need to be discussed. .

Paul Carroll made a motion to move to executive session in order to discuss pending litigation.

Tina Urzan seconded the motion, motion carried.

Lisa Kyer made a motion to adjourn executive session with no action taken.

Hon. Dean Bodnar seconded the motion, motion carried.

VII. Adjournment

The IDA portion of the meeting was adjourned at 11:55 p.m.

Steve Bouchey made the motion to adjourn the IDA portion of the meeting.

Paul Carroll seconded the motion, motion carried.