

# Troy Industrial Development Authority

April 28, 2017

10:00 AM

Meeting Minutes

**Present:** Kevin O'Bryan, Tina Urzan, Steve Strichman, Hon. Robert Doherty, Susan Farrell, Hon. Dean Bodnar and Lou Anthony

**Absent:** Brian Carroll, Paul Carroll and Adam Hotaling

**Also in attendance:** Justin Miller, Cheryl Kennedy, Lucas Nathan, Jacob Reckess, Tom Rossi, Mary Ellen Flores and Denee Zeigler.

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

I. Public Hearing – 701 River Street Associates, LLC

See attached Public Hearing Agenda.

II. Minutes

The board reviewed the minutes from the April 6, 2017 board meeting.

**Hon. Bob Doherty made a motion to approve the April 6, 2017 meeting minutes.**

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

III. Project Authorizing Resolution – 701 River Street Associates, LLC

Mr. Miller advised that this item is tabled and will be going through the planning process. Mr. Strichman advised this board will revisit this at the June meeting.

IV. Mission Statement and Measurement Report

Mr. Strichman advised that the agenda packet contains a copy of the mission statement and a draft of an updated statement. Ms. Urzan advised that it is very clear and if anyone has a question about what the IDA does, we can refer them to the mission statement for an explanation. She added that this will be helpful, especially now, that Troy is listed as one of the top places for entrepreneurs to open a small business in the capital district. (See amendment in Item VIII)

**Tina Urzan made a motion to approve the updated Mission Statement.**

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

V. Appraisal of President Street parcel

Mr. Strichman noted that an appraisal was needed of the Mlock parcel as part of the option agreement discussed at the last meeting. The item in front of them is the invoice for the appraisal. Mr. Bodnar asked if this was done recently. Mr.

Strichman advised yes, it was done in the past two months. The chairman asked what the outcome was. Mr. Strichman advised it was \$215,000. He added that the appraisal is for the upland portion that we are selling. He advised that we did not get the appraisal of the lower portion, but they know we want that still. He advised that portion will be appraised when we get closer.

**Hon. Dean Bodnar made a motion to approve the payment to Holden & Associates for the appraisal of a portion of the parcel No. 90.70-1-1.**

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

VI. Executive Directors report

Mlock parcel - Mr. Strichman advised that they will be having the closing later today.

515 River Street – Mr. Strichman noted that 515 River Street has gone through the planning process. Mr. Bodnar asked if the issues with the bike trail have been resolved. Mr. Strichman advised that there have been several discussions on where the bike trail will be located. He added that it will happen, but they will have to work with the developers to fit it into the design. Mr. Bodnar noted that there will not be a portion of the site reserved for the trail. Mr. Miller advised that unlike the Monument Square site, First Columbia owns this whole site up to the river. He advised that there are a few different parcels involved. Mr. Miller advised we will have to revisit the resolution for 515 River Street to ensure the PILOT includes all of the necessary parcels. Ms. Urzan asked if any of the hotel parking will be in a garage. Mr. Strichman noted that it will be surface parking. Ms. Urzan asked how many parking spots will be displaced due to the trail. Mr. Strichman noted that there will be no parking displaced. The trail will go through the parking lot; similar to Tapestry on the Hudson. Ms. Urzan noted an elevated trail would be great. Mr. Strichman noted that there is no longer a seawall there where a trail would be. Mr. Doherty noted that there is a large amount of interest in biking in the community. He added that we are gaining enthusiasm from these groups and encouraged the development of the bike trail and increasing awareness of the trails. Ms. Urzan agreed and noted that her business sees a lot of families that are interested in biking in the area and she would like to be able to promote the area and have them stay for that reason. Mr. Strichman agreed and noted that signage, connections and promotions are needed in order to make it successful. Mr. Doherty noted that a lot of small towns along the trail from Albany to Buffalo make their presence known throughout the trail. He added that it was welcoming and helped to promote commerce in that area. The chairman wanted to thank Mr. Strichman for working hard to get a number of important issues resolved with this deal for both the IDA and the City of Troy.

VII. Financials

Ms. Flores went over the balance sheet and advised that there was not much change since last month. She advised that there is \$1 million in assets, \$157,000 in liabilities and \$861,000 in equity. The board asked about the \$89,000 in receivables. Ms. Flores advised it is the payment and late fee for Uncle Sam Garages and a late fee for the Cookie Factory's PILOT payment. The chairman advised that we will be seeing some incoming administrative fees and

will have a discussion about a potential finder's fee for the project at 444 River Street.

Ms. Flores advised that the P&L shows income from an administration fee from the MLK project and late fee from Uncle Sam Garages. The board had a general discussion about PILOT late fee payments. Mr. Miller advised we will need to revise the process to pass on the late fee payments to the city.

**Hon. Bob Doherty made a motion to accept the financials as presented.**

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

VIII. Adjourn the IDA portion

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

**Hon. Dean Bodnar made a motion to adjourn the IDA portion of the meeting and convened the CRC.**

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

The IDA was adjourned at 10:36 a.m.

The IDA was reconvened at 10:47 a.m. with an amendment for Item IV that includes wording similar to the CRC that shows that the projects are consistent with our mission statement.

**Tina Urzan made a motion to amend the previously approved mission statement.**

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

IX. Old Business

Mr. Strichman advised that he would like to take a look at the Uniform Tax Exemption Policy and make updates as needed.

Mr. Strichman advised he would like to also take a look at revising the way we review projects. He noted the Old Brick project will be presented to the board in the next few months and it is one that does not have a job creation component to it; it is all apartments. The board had a general discussion about how to prioritize or customize the terms of projects based on their geographical location; whether they are in an underserved area or the downtown business district. Mr. Doherty noted that by keeping the mission and vision of the board clear, it will be much easier for new board members to see clearly what it is we do.

X. Adjournment

With no other items to discuss, the IDA portion of the meeting was adjourned at 10:54 a.m. The next meeting will be May 19<sup>th</sup>.

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

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

PUBLIC HEARING AGENDA  
TROY INDUSTRIAL DEVELOPMENT AUTHORITY  
701 RIVER STREET ASSOCIATES, LLC  
APRIL 28, 2017 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 701 River Street Associates, LLC Project held on Friday February 17, 2017 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

Steven Strichman, Executive Director  
Kevin O’Bryan, Chairman  
Hon. Bob Doherty, Board Member  
Hon. Dean Bodnar, Board Member  
Tina Urzan, Board Member  
Lou Anthony, Board Member  
Susan Farrell, Board Member  
Justin Miller Esq., IDA counsel  
Tom Rossi, Company Representative  
Jacob Reckess, Company Representative  
Mary Ellen Flores, Treasurer  
Cheryl Kennedy, City of Troy Economic Development Coordinator  
Denee Zeigler, Acting Secretary  
Luke Nathan, General Public

II. CALL TO ORDER: (Time: 10:00 a.m.). Steven Strichman 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 701 River Street Associates, 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

**701 RIVER STREET ASSOCIATES, 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 .57 acre parcel of real property located at 701 River Street, Troy, New York 12180 and the retention of title to and/or a leasehold interest in an approximately 1.36 acre

portion of a parcel of real property located on President Street, Troy, New York 12180 (collectively, the “Land”, being more particularly identified as TMID No. 101.62-1-1 and a portion of TMID No. 90.70-1-7) and the existing 6-story building located at 701 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 six story mixed use residential and commercial facility containing up to 84 apartment units and approximately 10,000 square feet of commercial space, all to be leased by the Company to residential and commercial tenants, including improvements and replacements of roofs, interior and exterior utilities, elevator, building systems, windows, exterior access and egress improvements, curbage, parking 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.

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. The Authority contemplates providing a PILOT Agreement with a term of Twenty (20) years with fixed PILOT payments.

IV. AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$10,585,000. 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 Exemption	=	\$ 87,500.00
Sales and Use Tax Exemptions	=	\$ 430,000.00
Estimated PILOT Savings	=	\$3,161,793.00
<b>Total estimated Financial Assistance</b>	=	<b><u>\$ 3,679,293.00</u></b>

IV. SEQRA:

For purposes of the Project, the City Planning Commission is serving as lead agency for purposes of review pursuant to SEQRA.

## VI. PUBLIC COMMENTS

Mr. Doherty asked for a summary of the PILOT terms. Mr. Strichman discussed the PILOT and the process behind it. He advised that Mr. Reckess purchased the property after the previous developer did not go through with the project. Mr. Strichman advised that throughout the whole process, a PILOT with the max of 30 years was offered for an affordable/assisted living project. He noted that the current developers will be offering market rate housing, which is a much better use for that area, so they were able to bring the PILOT down to 20 years. The chairman noted that keeping the PILOT terms under 25 years is one of the goals we have been working towards. Mr. Strichman advised that the current value of the property is \$200,000 and is what the PILOT is based off of. He advised that the project is a \$10.5 million dollar project. Mr. Strichman noted that Redburn development recently finished the School One project and will keep these units to the same standards. Mr. Doherty advised that in the end the project will have a final value of \$3.5 million. The chairman noted that previous development efforts at this site have been unsuccessful and this will help to bring up the value of a currently vacant building. Mr. Strichman stressed that they are not receiving cash; they are receiving an incentive to develop a large vacant building.

Luke Nathan asked the developers why this assistance is critical to the project happening. Mr. Rossi explained that for a project of this scale, there is a lot of risk. He advised that there are a lot of structural issues that will need to be addressed and some additional ones that are sure to come up. Mr. Rossi advised that this assistance will help to remove some of the risk and ensure success. He added that the banks like to see a project like this, located in a transitional area, have their risks mitigated. Mr. Rossi advised that you can't base the value on the full dollar value because there is so much work that will have to go into it in order to bring it up to a starting point, but in the end it will be worth its net operating income. Mr. Rossi also noted the amount of taxes that will be coming in once the project starts up. Mr. Reckess advised that they believe in the what the neighborhood will and can be over time, not what it is today. He advised that this piece will help them work with the neighborhood as it grows. The chairman noted that these large empty buildings were considered undevelopable at one time. He advised that IDA's along with other tax credits have helped to turn this around. Mr. Rossi advised that they will be utilizing a few other types of funding. He added that they will be nice apartments that will be attractive to many people. Mr. Anthony agreed that there is a lot of risk involved with this type of project. Mr. Strichman added that there is more to this project than just the building; it is really the northward march of redevelopment to that area.

Mr. Nathan asked about the parking arrangement that was discussed at the last meeting. Mr. Strichman advised that the IDA will be purchasing the lot behind this building; which was at one time attached to the building. It will be sub divided and these developers will be lease/purchase over time the upland portion of the site. He explained that the portion closer to the river, will be transferred over to the city where it will be maintained as a park and a connector to the bike trail

that will go to the Congress Street Bridge. Mr. Rossi advised that without the parking, this project could not occur.

VII. ADJOURNMENT

As there were no comments, the public hearing was closed at 10:15 a.m.