



**TROY LOCAL DEVELOPMENT CORPORATION
Board of Director
Meeting Minutes**

**January 20, 2017
8:30 a.m.**

BOARD MEMBERS PRESENT: Kevin O’Bryan, Andy Ross, Steve Strichman and Monica Kurzejeski

ABSENT: Hon. John Donohue

ALSO IN ATTENDANCE: Justin Miller, Esq., Mary Ellen Flores, Jim Lozano, Deanne DalPos, Lucas Nathan, Cheryl Kennedy and Denee Zeigler

Minutes

The Chairman called the meeting to order at 8:30 a.m.

I. Minutes

The board reviewed the minutes from the December 16, 2016 board meeting.

Andy Ross made a motion to approve the December 16, 2016 board meeting minutes.

Dep. Mayor Monica Kurzejeski seconded the motion, motion carried.

II. Grants Software

Steve Strichman advised this item will be removed from this agenda and moved to the IDA and CRC agendas.

III. Brownfields Grant opportunity

Mr. Strichman advised that this item is also going to be discussed at the upcoming IDA meeting, but wanted to give some background to this board on the topic. He explained that there is an opportunity to apply for a South Troy Waterfront Brownfields grant. Designating the South Troy waterfront a brownfields area will assist all property owners along the waterfront; city, county and the LDC. It will make tax credits available to developers for remediation and development. Ms. Kurzejeski noted everything south of the canal will be included. The chairman advised that he would like to transfer the role of chairman temporarily in order to advocate for this topic.

Dep. Mayor Monica Kurzejeski made a motion to transfer the position of chairman temporarily to Andy Ross.

Steven Strichman seconded the motion, motion carried.

Mr. O'Bryan noted that he would like to go on the record regarding his position on this topic. He advised that he is in favor of Brownfield grant programs, however, does not think that this entity can afford to spend any additional funds on this site. The debt service on this site alone is about \$200,000 a year and would not be able to invest any additional funds unless our cash position changed significantly. Mr. O'Bryan noted that his goal is to get the King Fuel site debt out of the LDC's balance sheet, where it probably should not have been in the first place. An RFP for the redevelopment and market solution of this site should be first priority. He advised that the city is very well represented on this board and we will have to work together on a resolution, but the LDC will need to pursue this in its best interest.

Andy Ross made a motion to transfer the position of chairman back to Kevin O'Bryan.

Steven Strichman seconded the motion, motion carried.

Andy Ross agreed that the site needs to be marketed. Ms. Kurzejeski also agreed that this is a problem that needs to be resolved. She noted that if it can be designated a brownfields grant opportunity site, it would make it more marketable. She advised that the additional tax credits that would be available would make it more attractive to developers and bigger entities. Mr. Ross asked what the benefit would be to the LDC by getting this designation. Mr. Miller advised that there is not a direct cash benefit for the LDC; however, it will make the site eligible for site clean-up tax credits. Mr. Strichman noted that there are both clean-up and investment credits available that range between 22%-24%. Mr. Ross asked if the designation will limit what can be done on the site. Ms. Kurzejeski advised it depends on the level of clean-up. Mr. Miller advised that the clean-up credits would only apply to the four acres above the King Fuels site and advised it should be cleared by this summer. Once it is cleared, it will be eligible to be sold. He added that the King Fuels site will essentially be a pad once the clean-up is completed. The board had a general discussion on the value of the site as seen through the eyes of the lenders and agreed that there are many variables. Ms. Kurzejeski noted that selling the four acre site is difficult because of its location, the fact that it is next to undeveloped land and the upcoming industrial road project. She advised that it is a great opportunity for the city to possibly market to a larger entity. Mr. Miller noted that this grant is just a designation for the site. Ms. Kurzejeski advised that the designation will help with the marketability of the site. The chairman noted that we need to get a new RFP out as soon as possible in order to generate some new interest. The board had a general discussion on a previous plan that was in place and how we will move forward.

IV. Loan Modification – 77 Congress Street, LLC

Mr. Strichman spoke about the loan modification for 77 Congress Street, LLC that will stretch the terms to four years and include any past amounts and interest. The board asked if these terms are going to be manageable for them. Mr. Strichman advised yes, there were many discussions on the terms and this length of time seemed to work best. Mr. Ross asked who the owner of the property is. Ms. Kurzejeski advised Baystate Construction is the owner. Mr. Strichman advised the board that he has met with them and the tenant to discuss the sprinkler issues they have been dealing with. The board had a general discussion on the current situation and how it is being resolved. Mr. Ross advised that he goes there and it is always

packed. Mr. Strichman noted that the tenant is restructuring the fees he charges each of the food vendors and that should help also.

V. PARIS Report

Mr. Strichman advised that work has begun on the upcoming PARIS report. We will need to adopt the annual reports and audit in March in order to get the report in on a timely manner.

Mr. Lozano of CFO for Hire explained to the board that he was recently acquired by SaxBST, our current auditor, which creates a conflict. He advised that he has a meeting today with the lead auditor from SaxBST and a new RFP may have to be sent out to complete the 2016 audit. Mr. Lozano advised that a list of auditors will be put together. Mr. Miller advised that he has an RFP that was done for one of his other clients that we may be able to use as a template and put out as soon as possible. Mr. Miller asked when the acquisition took effect. Mr. Lozano advised as of January 1, 2017. The board agreed that they would like to keep CFO for Hire as the accounts of the boards and look for a new auditor.

VI. Executive Director's Report

Mr. Strichman advised that his executive director report consist of updates on the loans, but will discuss that during the financial presentation. The board asked if there was any interest in the King Fuels site. Mr. Strichman advised nothing substantial. He noted some interest in a short term lease similar to the last tenant we had at the site, Hudson River Product Recycling. Mr. Ross asked if people are looking towards Troy for a certain type of space; truck terminal or something else. Ms. Kurzejeski advised they haven't been looking for anything specific and the site hasn't been marketed for a specific use. She added originally we were not going to apply for the Brownfield's grant, but realized that it could assist future developers. Ms. Kurzejeski also noted that the dynamics are changing at that site; the industrial road will be going in over the next year and infrastructure will be going in that will get the site ready for development. Ms. Kurzejeski noted that a working waterfront to some degree, that is fine. She noted that Savannah is very successful with blending a working waterfront with recreation mixed in

VII. Financials

Ms. Flores presented the balance sheet to the board members. She advised that there is \$4 Million in assets versus \$1.5 Million in liability leaving \$2.5 in equity. She advised the biggest change on the balance sheet would be the two loans that were closed on in December; \$150,000 to BSM and \$60,000 to Clark House, LLC. The chairman noted that in order for the board to get an accurate snapshot of where we actually stand, you have to factor in the King Fuels site. The board had a general discussion about the different ways to interpret the balance sheet. The chairman noted that we have to keep an eye on the accounts and our liquidity. Mr. Strichman advised that we do have interest being generated by the HUD loan which helps to offset the amount paid out on the HUD loan. The chairman added that there are projects coming in that will generate some income; the Vecino Group closing in March, the payoff of the Troy Innovation Garage loan in June and the monthly income from our loans. Mr. Strichman added that we also have to move forward the finder's fee associated with the IDA and the Vecino project. Mr. Miller advised that we could apply for a Main Street grant during the next round of CFA grants in order

to not use our cash. The board spoke about the success of the façade grant program and discussed adding a commercial aspect. Mr. Strichman spoke about a similar program that was run in Schenectady and its success.

Mr. Lozano noted that Infinity Café's loan balance has been written off as a result of the settlement agreement. The chairman asked if we include interest into our receivable number. Mr. Lozano advised that there was a settlement amount that was agreed upon; a very small portion of that is interest and penalties. Mr. Miller advised they are pursuing other options that may help to recoup some of the loan funds.

Ms. Flores advised that there are not items to note on the operating statement.

Dep. Mayor Monica Kurzejeski made a motion to approve the financials as presented.

Andy Ross seconded the motion, motion carried.

VIII. Old Business

Mr. Strichman spoke to the board about the delinquent loan report. He advised that he was able to speak to Kelly Kendall of The Balance Loft about the current status of her loan. She advised him that she may have interruption of business insurance that could assist in getting caught up. The board asked why there was an interruption of business. Mr. Strichman advised it was due to a couple events and the loss of staff. Ms. Flores advised she is four months behind. Mr. Ross asked where she is located. Mr. Miller advised she is located on State Street.

Ms. Kurzejeski advised that when she received questions regarding the LDC, she refers them to Mr. Strichman. Mr. Strichman advised that this is a strong loan portfolio.

IX. New Business

The chairman discussed moving the March meeting to the 24th in order to adopt the PARIS report and will keep everyone posted about a special meeting for the auditor.

X. Adjournment

The next board meeting will be February 17th. With no additional business to discuss, the meeting was adjourned at 9:21 a.m.

Andy Ross made a motion to adjourn the meeting.

Dep. Mayor Monica Kurzejeski seconded the motion, motion carried.