



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

**September 13, 2013
8:35 a.m.**

**BOARD MEMBERS PRESENT: Wallace Altes, Bill Dunne, Hon. Ken Zalewski, and
Dep. Mayor Pete Ryan**

ABSENT: Andy Ross

**ALSO IN ATTENDANCE: Justin Miller Esq., Selena Skiba, Monica Kurzejeski, Joe
Mazzariello, Andy Piotrowski, Ryan Sylva, Claudette Thornton, Andrew Kreshik,
Terry O'Brien and Denee Zeigler**

Minutes

Wallace Altes, Chairman, called the meeting to order at 8:35 a.m.

- I. The board reviewed minutes from the June 14, 2013 and June 28, 2013 meeting.

**Ken Zalewski made a motion to approve the minutes.
Deputy Mayor Pete Ryan seconded the motion, motion
carried.**

- II. Victorian Stroll and Downtown lighting

The Chairman introduced Claudette Thornton and Ryan Silva from the Chamber of Commerce to the board. Bill Dunne spoke on behalf of supporting the Victorian Stroll. It's a great event that brings a lot of visitors to the City and would be recognition for the LDC. Mr. Dunne passed a letter around to the board members that outlined the funding request of \$5,000. The board was advised it would include bus advertising, posters and tabletop cards. Ken Zalewski asked if our logo would be on the advertisement. Ms. Thornton advised it will be seen all over the Capital Region.

**Ken Zalewski made a motion to authorize the funding request
for The Victorian Stroll in the amount of \$5,000.
Deputy Mayor Pete Ryan seconded the motion, motion
carried.**

Mr. Dunne also spoke about a future project with the Chamber of Commerce to update and replace the lighting at Monument Square. The board had a discussion about updating the lights and possibly keeping them up year round and allow the colors of the lights to be changed for different events and holidays.

III. O'Brien's Public House 41-43 3rd Street

Terry O'Brien spoke to the board about her recent purchase of the former Trojan Hotel at 41-43 3rd Street. Mrs. O'Brien advised the board she is looking for funding to replace 115 windows, the HVAC and electrical. The goal is to have the businesses open by November 1st of this year. The first floor will be O'Brien's Pub which was formerly located in Lansingburgh and the basement will be restored to the Trojan Taproom. The upper floors will be their residence. The Chairman asked about the plan for the rear of the building. Mrs. O'Brien advised that she is working with Jeff Buell to turn them into storage units. There is a demand for them with all of the college students and new apartments in the area. Mrs. O'Brien advised that the structure of the building would make it difficult to turn into apartments.

Ken Zalewski asked about the number of jobs that will be created. Mrs. O'Brien estimated about 50-60 jobs initially. Once the taproom is open the total will be closer to 75. The Chairman questioned the capacity of the restaurants. Mrs. O'Brien advised previously the ballroom located in the back portion could hold up to 275 and the front was 75. They will open in phases; the bar and small waiting room will be open first and then a month later will open the ballroom. Monica Kurzejeski asked if they already had their equipment. Mrs. O'Brien advised that they have all of their own equipment and will be purchasing the rest. Deputy Pete Ryan asked about the condition of the roof. Mrs. O'Brien explained to the board that the roof did have a small issue that turned out to be a broken roof drain. The roof was replaced in 2007. Mr. Ryan also asked about parking. Mrs. O'Brien advised that there is not a lot of parking; however the adjacent bank is closed on Saturday and Sunday and have made agreements with her to use their parking lots. Mr. Zalewski clarified the funding amount of \$89,500 for stabilization, HVAC, plumbing and windows. Justin Miller advised it could be set up in a similar to The Clark House's loan. Mrs. O'Brien advised that she paid cash for the building and would be willing to provide a first mortgage. Mr. Miller advised it could be voted on and closed at the next meeting. The Chairman asked if there were any other questions from the board.

Ken Zalewski made a motion to approve the request for funding in the amount of \$89,500 to O'Brien's Public House. Deputy Pete Ryan seconded the motion, motion carried.

IV. Gramercy Communications

The Chairman recused himself from any discussion on Gramercy Communications due to a consulting relationship he has had with them in the past.

Ken Zalewski made a motion for Dep. Pete Ryan to be temporary Chairman during the discussion. Bill Dunne seconded the motion, motion carried.

Bill Dunne spoke to the board about the creation of the TLDC Facebook page by Ken Zalewski. He advised that because it can be time consuming to keep up to date, he contacted Gramercy Communications to see if they would be available to help manage the page. A proposal was give to the board to review. The board had a general discussion on the proposal and decided to not move forward until another time. Bill Dunne advised an op-ad was placed in The Record to highlight the recent achievements of the LDC and promote some of the current projects. In the future, we will revisit the idea of having a dedicated person to manage the page.

Wallace Altes returned to the meeting as Chairman.

V. Loan and Grant requests

1. Monica spoke to the board about the application for a \$20,000 loan to improve the sidewalks in front of Westley Costanzo's business' at the corner of Sixth and Middleburgh. The board was advised that originally he was trying to apply for the sidewalk loan program, but that program is not available to business owners. It is only for residential. Mrs. Kurzejeski explained that he has done work to three buildings that make up that corner. One building has already opened as a discount store and Mr. Costanzo continues to renovate the two remaining buildings. Mrs. Kurzejeski shared with the board that he has done all of the work on his own and has proven to be a real asset to the community by trying to clean up that whole corner. The Chairman asked if this loan will help with the continued to improvement of that area. Mrs. Kurzejeski answered yes, especially with the success of Sliders at the opposite corner. The board had a discussion about what would be taken as collateral on these BDAP loans. The Chairman asked about the loan process for the smaller loans as compared to the larger ones. Justin Miller advised that they should take a two step approach similar to the loan for O'Brien's. The Chairman asked if there were any other questions from the board members.

**Ken Zalewski made a motion to approve the request for a \$20,000 loan request for Westley Costanzo.
Dep. Mayor Pete Ryan seconded the motion, motion carried.**

2. The Board decided to table the two other 50/50 requests until the next meeting.

VI. Financials

Joe Mazzariello introduced Andy Piotrowski to the board members. He will be assisting with the LDC accounts.

Mr. Mazzariello gave a presentation to the board of the current financials as of August 12th 2013. He advised of the current balances, amounts in accounts receivable and loan receivables. Mr. Mazzariello wanted to note that we have not received any loan payments from one of the more recent loans that we awarded. Mr. Mazzariello wanted to note how important to do a cash flow analysis to ensure they have the ability to pay. Monica

Kurzejeski advised that she has spoke to the applicant and Selena about the issue. Justin Miller advised that we have personal guarantee with her loan.

Mr. Mazzariello also spoke to the board about the tenants at the former King Fuels site; Freelot and Materials Recovery. Bill Dunne advised that Materials Recovery made contact with Justin and himself to give notice that they will be vacating the property and have a discrepancy with the amount owed. Justin Miller explained the structure of their PILOT payment which states if there is a tenant upstairs, they would share half of the tax responsibility. If there is no tenant, the full PILOT amount would go to Freelot. Bill Dunne explained that the discrepancy is coming in about the way the lease was interpreted by the tenant. They believe they are paying more than they are responsible for. Mr. Dunne explained that National Grid will be working on that site for the next two years and is concerned that there may be potential issues with the tenants. Justin Miller advised that the PILOT payment will be our responsibility to pay if the space has no tenants. The Chairman confirmed that staff will work to with the vacating of the space by Materials Recovery and pursue enforcement for Freelot. Ken Zalewski questioned the structure of the PILOT and the fact that there will be no profit generating entity. Justin Miller explained that the LDC will have to take a look at the agreement to come up with the next steps. The board had a general discussion about the issue.

Mr. Mazzariello also advised the board that there are some tenants of the Neitzel Building that are delinquent. Some of them are no longer in the building, but we do have security deposits for them. Mr. Mazzariello was looking for the LDC to authorize use of the security deposits as rent owed. The Chairman asked if the security deposits will cover the back rent. Mr. Mazzariello advised it will cover most of what is owed. Bill Dunne advised that one tenant will not leave the property and will be taking him to court. The Chairman asked for a motion to direct counsel to proceed with a formal eviction process for Pete Marks.

Dep. Pete Ryan made a motion to proceed with a formal eviction process for a tenant at the Neitzel Building. Ken Zalewski seconded the motion, motion carried.

Joe Mazzariello questioned the pre-paid closing costs from November 2012 for fees to the City. Mr. Mazzariello noted properties on New Turnpike and Sixth Avenue. Bill Dunne spoke about the properties advising that the LDC did not purchase those properties. At a future meeting they can discuss the property at Leonard Hospital. Bill Dunne advised that the Sixth Ave addresses were on the City Council agenda and then removed.

Ken Zalewski asked about the review of the finances, specifically the negative \$28,000 listed in net income. Mr. Mazzariello stated that there are expenses going out and not a lot of revenue coming in. The only income at this time is coming in from the tenants. The Neitzel Building generates a lot of costs each month. Other costly items are legal fees and utilities. Mr. Mazzariello suggested that if we continue to purchase properties, we turn them around quicker. Justin Miller advised that this should turn around within the next year.

The board had a discussion on interpreting the balance sheet.

Joe Mazzariello advised that the budget will have to be adopted at the October meeting so that it can be in by November 1st.

VII. 9 First Street, LLC

Bill Dunne spoke to the board about amending the LDA for 9 First Street. Justin Miller advised that Jeff Buell would like to do some addition stabilization to the building before he closes. Mr. Miller did have a conversation with Jeff Buell to let him know what the changes would mean, and did not hear back from him. The board decided to table the request to amend the LDA at this time.

VIII. Marina Expense Sheet

Dep. Pete Ryan spoke to the board about the Marina project and the request for a second payment. Ken Zalewski asked about the income that was generated this season. Mr. Ryan spoke that we had a slow start this year with a lot of rain in the beginning, but had a few solid months of boaters. It is important for people to see that we are back in the game. No income has been generated this year. Gas was sold to the boaters and it was noticeable that the Marina was improved and open for the public. Events such as Rockin' on the River and the Farmers Market indicated that people were glad to see it up and running. The Chairman asked about what would happen next year. Mr. Ryan spoke about the fact that FEMA money will be in by then and an RFP can be sent out to get a dock master and make some much needed improvements/upgrades to the docks. The Chairman asked if he sees the LDC continuing to take the lead on this project or if the City. Mr. Ryan advised the City would be stepping in for the next season.

The Chairman requested that they move to executive session to discuss real estate matters.

**Ken Zalewski made the motion to move to executive session.
Dep. Mayor Pete Ryan seconded the motion, motion carried.**

The board returned with no action taken.

IX. Adjournment

The meeting was adjourned at 10:35 a.m.