



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

**October 11, 2013
8:30 a.m.**

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

ABSENT:

ALSO IN ATTENDANCE: Justin Miller Esq., Monica Kurzejeski, Joe Mazzariello, Andy Piotrowski, Ken Crowe, Terry O'Brien, Selena Skiba, Westley Costanzo, Laban Coblenz, Ed Haddad, Kenneth Stumaker, Mike Fanning, Richard Spenello, Chris Spenello, and Denee Zeigler

Minutes

Wallace Altes, Chairman, called the meeting to order at 8:30 a.m. He introduced the applicants to the board members.

- I. Approval of the minutes from the September 13, 2013 board meeting.

**Ken Zalewski made a motion to approve the minutes.
Bill Dunne seconded the motion, motion
carried.**

- II. 50/50 Façade Improvement Grant - 62 Vandenburg Ave.

Monica introduced Kenneth Stumaker to the board members. Mr. Stumaker explained he is the owner of the Deli & Brew located at 62 Vandenburg Ave. He is planning on doing improvements to the outside of his business. The former Pizza Hut which is located next to him was recently purchased and is going to be landscaped and remodeled. Mr. Stumaker advised he would like to take this opportunity to make some improvements to his business also. Mrs. Kurzejeski explained that some of the work has already begun. The applicant needed to start working on the improvements while he waited for the application to be reviewed. The chairman asked how much funding he was looking for. Mr. Stumaker advised that he was looking for \$5,000 in matching funds. The Chairman asked if there were any other questions from the board.

Deputy Mayor Pete Ryan made a motion to authorize the funding request for 62 Vandeburgh Ave. in the amount of \$5,000.

Bill Dunne seconded the motion, motion carried.

III. BDAP

Mosaic Associates Architects - Monica Kurzejeski introduced the project to the board members explaining they are moving into the 4th floor of the Freer Building in downtown and plan to be open by December 1, 2013. They are going to be bringing 30 employees with them from their current location in East Greenbush and are the type of business that we want to bring to Troy. Mike Fanning, owner, spoke about his company and his beginnings as an RPI student in Troy. The Chairman asked if there was an anticipated move in date. Mr. Fanning advised that he would like to start moving in mid November. The Chairman questioned the type of employees that work at the company. Mr. Fanning explained that ¾ of them are professionals. Ken Zalewski questioned the BDAP balance. Monica advised it is currently \$65,000. Andy Ross asked the applicant if they specialize in any discipline. Mr. Fanning explained that they work mainly with schools; K-12 and higher education. They recently completed the new Troy Middle School and HVCC's science center. The board members agreed that both of these projects were very well designed buildings.

Mrs. Kurzejeski asked the board if the budgeted amount for BDAP requests should be increased because this project and the next request would put them over the \$65,000 remaining.

The Shoppe – The board was introduced to Richard and Chris Spenello from The Shoppe, a well known establishment from Saratoga that has been in business for 37 years. Mrs. Kurzejeski advised that they will compliment the other boutiques located downtown. They have a clientele in this area already and thought the available space downtown would be a perfect space. Richard Spenello explained that they were asking for \$20,000. Mrs. Kurzejeski noted that both projects are very important requests for the downtown. The board had a general discussion and agreed to fund both projects. The Chairman asked if there were any other questions from the board members and asked for a motion to make an amendment to the budget to move \$5,000 from the general fund to the BDAP funds.

Bill Dunne made the motion to make an amendment to the budget to add \$5,000 from the general fund to the BDAP budget.

Ken Zalewski seconded the motion, motion carried.

The Chairman asked if there were any questions about the Mosaics Associates Architecture project.

Ken Zalewski made a motion to approve the initial funding application for Mosaic Associates Architecture in the amount of \$50,000.

Andy Ross seconded the motion, motion carried.

The Chairman asked if there were any questions about The Shoppe application.

**Ken Zalewski made a motion to approve the initial funding application for The Shoppe in the amount of \$20,000.
Andy Ross seconded the motion, motion carried.**

IV. 50/50 Façade Improvement Grant – 328-330 and 332 Congress Street

Monica introduced Ed Haddad to the board. He is the current owner of both 328-330 and 332 Congress Street. Ed Haddad spoke to the board about his partner Joel Glickman and their background purchasing properties in Troy. Mr. Haddad noted he is interested in purchasing properties on Congress Street and continuing the improvement of that area. Currently they are getting permits for working on the inside of the building. There is more work than anticipated so they are seeking assistance for the facades of the buildings. Mr. Haddad asked for a grant for each property in the amount of \$5,000. Monica Kurzejeski clarified for the board where the properties were located along Congress Street. She also noted that there are many buildings on the current foreclosure list. Dep. Mayor Pete Ryan noted that improvements such as this are very exciting for this corridor. The work done on the streets has been great for the area. Mr. Haddad agreed stating that this could be an area that had several different international restaurants; there is already a Polish and Italian restaurant. He would love to add in a sushi restaurant as well. He would love to be a part of the revitalization of this area and are willing to work closely with the City. Bill Dunne questioned how many units are in 328-330 Congress Street building. Mr. Haddad noted that there are between 5-6 units. Mr. Dunne asked if there was a way to fix the 1st floor retail space that was turned into residential as well as moving some of the cable boxes to the rear of the building. He suggested speaking to TAP about changing 1st floor retail spaces to residential without compromising any details of the building. Mr. Haddad said he will work on improving and may see about getting additional funding. Mr. Dunne also noted that there is a historical review panel that can assist you. Mr. Ryan asked if there was parking associated with the building. Mr. Haddad explained that there is a parking lot in the rear of the building. Mr. Haddad noted he is excited about working with the City of Troy. The Chairman asked the board if there were any other questions about approving the application for funding of \$5,000 for each building. Monica Kurzejeski advised the board the current balance of funds in the 50/50 Façade budget is \$45,000.

Ken Zalewski made a motion to approve \$10,000 in funding for 328-330 and 332 Congress Street. (\$5,000 for each property)

Dep. Mayor Pete Ryan seconded the motion, motion carried.

V. 50/50 Façade Improvement Grant – 121 4th

Monica Kurzejeski introduced Carmine Battuello, the owner of Dublin's, to the board. Mrs. Kurzejeski wanted to note that the 4th Street business owners have become very proactive with keeping up the streets in their night life district. This is also the area that was focused on for the New York Main Street grant application that was sent in earlier this year.

Mr. Battuello spoke to the board members about trying to improve the appearance of the exterior of the building to try and introduce new clientele to the bar, possibly a name change. Bill Dunne asked about the hours of the establishment. Mr. Battuello advised that they are open until 2 a.m. during the week and open until 3-3:30 on the weekend. They are looking to get new windows and awnings with this grant. In the future, if the Main Street grant comes through, they will be looking to do additional improvements. Ken Zalewski asked who the building owner was. Mr. Battuello stated that Mario Abate is the owner of the building. Andy Ross asked about the layout of the inside of the building. Mr. Battuello stated that there is no longer a back entrance to the building but they have the bar in the front and a space in the rear of the building for food and dining. The Chairman asked if there were any other questions about the request for \$4,700.

**Ken Zalewski made the motion to approve the 50/50 Façade grant application for \$4,700.
Bill Dunne seconded the motion, motion carried.**

Mrs. Kurzejeski stated that Eric Poulin was not present. She suggested tabling his request until the next meeting. She wanted to note that he has been doing some work on the building and will get in contact with him to discuss his plans.

VI. Center of Gravity

The Chairman introduced Laban Coblenz to the board to give updates to The Center of Gravity makerspace. Mr. Coblenz passed around a statement to the board members that outlined the work done in phase 1 of the project. It consisted of building improvements which cleaned up a vacant space on both the outside and inside. Specialized equipment was purchased to assist the businesses and members.

Page two of the report shows job creation. One of the businesses assisted in the very beginning, Nexus, has branched off on its own as a for profit. He also wanted to note that jobs have been created and investments have come into the area as a result of the space. The first five businesses on the report did not exist five months ago. They existed in some form, but now they are all new, viable businesses. They were also able to provide assistance to Ekologic in a way that a traditional bank loan could not. It provided them with an opportunity that brought them out of the margins and into a main stream. This center has created a migration of people to the area looking to set up their businesses.

Mr. Coblenz spoke about sustainability of the Center of Gravity. He has slowly stepped away from the day to day operations to make sure the center can thrive on its own. It has been successful to this point. The next stage is phase III, that hinges on the approval of the CFA grant which will allow them to move into the Quackenbush building. In the meantime, Mr. Coblenz want to continue working on a plan to create a small business network that allows shared access to services needed to run a business. Mr. Coblenz discussed the difference between the traditional business incubator and this new model. Essentially, the different departments of your business can be plug and play. Andy Ross questioned the hours of operation. Mr. Coblenz explained that the standard hours of operation are 6:00-10:00 p.m. evenings and 2:00-10:00

p.m. on weekends. There is another level of membership that grants 24 hr access. Mr. Coblenz also noted that in the future they would bring in an Executive Director and some other staff. The would result in additional hours during the day. Dep. Mayor Pete Ryan spoke about the shared government services and how difficult it can be. If something could be done where it would all work, that would be great.

Ken Zalewski asked about a specific project called Excelsior. Mr. Coblenz explained a program they have set up to help recruit new graduates to train them for higher level state government positions. The response for this program has been very positive. The Chairman asked if there were any other questions from the board. They all thanked Mr. Coblenz for coming.

VII. O'Brien's Public House, 41-43 Third Street

Bill Dunne introduced Terry O'Brien to the board. Mrs. O'Brien gave a brief overview of the project. The first floor will be O'Brien's taproom, the basement will be restored as The Trojan Taproom and their residence will be on the second floor. Bill Dunne noted that this is one of several projects happening in the same vicinity where historic buildings will be saved and restored. Deputy Mayor Pete Ryan also wanted to praise the projects happening in that area. The Chairman asked if there were any questions from the board.

**Bill Dunne made a motion to grant final approval for \$75,000 to O'Brien's Public House.
Deputy Pete Ryan seconded the motion, motion carried.**

VIII. Westley Costanzo, 2829 Sixth Avenue

Monica introduced Westley Costanzo to the board to discuss his project and gave the background of the area. Mr. Costanzo explained that he purchased the corner building at 2829 Sixth Ave and sub divided it into four small businesses. The discount store is already open, the sub shop should be open soon and Troy will also be the home of one of the first solar powered laundry mats. Mr. Costanzo noted that the sidewalk in front of the buildings is in very rough shape. He is looking to completely redo them in order to prevent any injuries. Monica Kurzejeski also mentioned that Community Gardens has a program for street trees and they have been in contact with the applicant. Andy Ross asked if the NAPA store was also part of this building. Mr. Costanzo advised that the building was purchased by someone else. Bill Dunne commended Mr. Costanzo on his hard work in an area where not many people set up new businesses. There has been a lot of activity in the area and hopefully once the Ingalls Ave boat launch will also spur the activity in the area.

**Ken Zalewski made a motion to grant final approval for \$20,000 to RWDC Management for sidewalk improvements.
Dep. Pete Ryan seconded the motion, motion carried.**

IX. Financials

Joe Mazzariello spoke to the board about the balance sheet, Profit & Loss sheet and a spreadsheet of all tenants of the LDC showing an overview of their leases. The board had a discussion of who is current, who is outstanding and who is still there. Bill Dunne noted that Ekologic will be settling their debts. She is currently in the process of moving. Mr. Dunne also noted that Materials Recovery is challenging the PILOT payments currently due. It was suggested that tenants Al Smith, Tito Ortiz and Dan Doyle be written off since all have been vacant from the property since their last payment. The Chairman advised it would be a write off of about \$3200. The board decided to pursue Pete Marks. Justin Miller wanted to note that the LDC inherited the tenants. They have paid some of the rent since we acquired the building. They have been an asset in carrying some of the costs of the building.

**Andy Ross made a motion to write off Al Smith, Dan Doyle and Tito Ortiz in the amount of \$3,225.00
Bill Dunne seconded the motion, motion carried.**

In the next two to three months we will be looking to completely vacate the building for Vecino Group which received their final approvals at the last planning board meeting. Andy Ross questioned if we would be responsible weatherize the building. Bill Dunne advised they will look to see how much is remaining from the authorized amount and work on getting the building winterized.

Andy Ross asked for clarification about the \$50,000 Bomber's loan. Bill Dunne explained that the \$50,000 bridge loan was awarded to Bomber's while they waited for the National Grid Main Street reimbursement. Mr. Dunne advised he spoke to National Grid this week and they are processing the paperwork and getting ready to cut the check to the LDC. Justin Miller advised that the loan was given to Bomber's by the LDC with the first payment due October 1, 2013. An invoice will be sent to Bomber's for the 15% interest generated since the beginning of the month.

The Chairman asked if the process has been started to serve the tenants of the Neitzel building with notice to terminate their leases. Justin Miller advised that the date has been reset to November 1, 2013. Bill Dunne advised that letters have been drafted and will be sent out in the next few weeks.

Joe Mazzerillo noted that there was one tenant of the Neitzel Building that is looking for their security deposit back. The Marvin Neitzel Group is current and has not had any issues. The board approved to give their deposit back to them.

Bill Dunne also asked the board if additional funds should be authorized in the event that the building needs more work to be winterized. The board had a general discussion about the state of the building and concerns about what could happen over the winter. The Chairman asked if \$25,000 would be enough or too much. Joe Mazzariello advised that \$15,000 is the total National Grid expenses for the last three months. Mr. Dunne advised his main concern is the roof set up lasting through the winter. The board agreed to \$10,000.

**Ken Zalewski made a motion to authorize \$10,000 for the winterization of 444 River Street.
Andy Ross seconded the motion, motion carried.**

X. Budget

Bill Dunne spoke to the board about the budget that was worked on by Monica and himself. Joe Mazzariello advised this will be the budget that is reported to PARIS by November 1, 2013. Bill Dunne explained that some changes will need to be made once the King Fuels site is remediated and tenants are cleared out. Monica Kurzejeski advised that it is difficult to project the budget five years ahead. The rental and financing income shows a drop off as they lose tenants at 444 River Street and at the King Fuel sites but should pick up once the site is remediated. Ken Zalewski noted that there seems to be a lot going on in 2015 as far as total revenues. Mrs. Kurzejeski explained there are notes in the last column to shed some detail on each line item. The \$1.2 Million on the budget sheet represents some of the capital expenditure money from National Grid that will be used to help with the Industrial Road and developing the parcel. The \$1.3 Million is part of a CFA grant that the City had applied for use at the King Fuels site.

Bill Dunne spoke about the \$500,000 that is under charges for service is a fee we anticipate to collect from National Grid from an amendment to an agreement we have with them. Mr. Dunne advised that something has to be done with the \$4.4 Million in funding allocated for the South Troy Industrial Road project. We are looking to match about \$1.1 Million. We will have enough funds to work on the Burden & Mill Street intersection which will be updated so that truck traffic will be kept out of the regular traffic. This requires a new underground bridge structure that is currently over the Wynantskill Creek. The traffic burden is going to increase once HVCC student housing is created at the top of the hill. There has been talk about making the one way traffic up the hill and one way down the other hill. Mrs. Kurzejeski advised that the site has generated a lot of interest and if we can clean it up and have it ready, it wouldn't be long before someone was interested in purchasing the property. The Chairman asked if there any other questions on the budget. Mrs. Kurzejeski advised that she will be breaking the budget down further to show more detail in the future.

**Andy Ross made a motion to approve the budget.
Ken Zalewski seconded the motion, motion carried.**

The Chairman thanked the financial team for their progress and commended how far they have come. Joe Mazzariello thanked the board for their recognition.

XI. ABO Compliance Review

The Chairman spoke to the board about the ABO Compliance review that is now completed. He commended the work done by Bill Dunne and Justin Miller leading us through the process. Bill Dunne wanted to note that the review spanned three administrations and the LDC has done a great job moving the City forward and promoting economic Development in the City. Joe Mazzariello advised there many things to be fixed. Ken Zalewski also commented on how far the board has come. We have done so much in such

a short amount of time. Andy Ross asked if we have a resume for the board. Monica Kurzejeski advised that Bill is working on it at this time. Mr. Dunne also wanted to point out the article in the Daily News and the fact that both newspapers are here to cover the meeting.

XII. 444 River Street, The Neitzel Building

The Chairman asked Bill Dunne about the air conditioner units. Mr. Dunne advised the board that in June we purchased three 2400 BTU window units that are still in the building. He was looking for instruction from the board as to what to do with them. Justin Miller advised we have a property disposition policy in place. Mr. Miller requested that they move to executive session to discuss tenant orientated legal 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.

XIII. Adjournment

The meeting was adjourned at 10:40 a.m.