

City of Troy
Industrial Development Authority

April 10, 2015
10:00 AM
Meeting Minutes

Present: Kevin O'Bryan, Bill Dunne, Steve Bouchey, Hon. Robert Doherty, Tina Urzan, Hon. Dean Bodnar, and Kathy Ceitek

Absent: Lou Anthony, Paul Carroll and Lisa Kyer

Also in attendance: Justin Miller, Selena Skiba, Ken Crowe, Sharon Martin, Red Griffin, Jeffrey Mirel and Denee Zeigler

The Chairman called the meeting to order at 10:04 a.m.

I. Minutes from the April 10, 2015 board meeting

The board reviewed the minutes from the March 20, 2015 board meeting.

Hon. Dean Bodnar made a motion to approve the March 20, 2015 meeting minutes.

Steve Bouchey seconded the motion, motion carried.

II. Riverfront Park Access project at 273 River Street

Mr. Dunne recapped the Riverfront Park access project at 273 River Street. He advised that due to the colder than usual winter and the contamination that was found at the site during construction, additional funding is required to finish the project. Mr. Dunne advised that up to \$75,000 would be needed. He added that consistent temperatures are needed to install the final details such as lights, railings and apply the sealant to the concrete. The timeframe for completion is about 45 days. The Chairman asked for the original totals for the project. Mr. Dunne gave a brief summary of the project. He advised that the original budget was \$772,000 with a reimbursement of \$250,000 in grant funding. The Chairman advised once this additional funding is approved the total expended by this board would be approximately \$600,000. Dean Bodnar asked if there was any chance for additional grant funding to offset the original amount. Mr. Dunne advised that the reimbursement comes from a grant that had a smaller component to create additional park access. There is no other grant money available. Mr. Bodnar asked if the site was declared a Brownfield due to the contamination found. Mr. Dunne advised no, there was not a large amount of contamination. Mr. Bodnar asked if the LDC was involved in this project or if it was strictly the IDA. The Chairman advised just the IDA.

Hon. Bob Doherty made a motion to approve up to \$75,000 in additional funding for the Riverfront Park Access project at 273 River Street.

Hon. Dean Bodnar seconded the motion, motion carried.

III. 548 Campbell's Avenue – Initial Resolution

The Chairman spoke about the review process of the IDA applications and encouraged the board members to ask questions at this time about the project,

but there will be more opportunities going forward to discuss the project during the public hearing and authorizing resolution.

Mr. Dunne advised that this project has come in front of the board once before and was approved. Mr. Doherty asked when we had seen it before. Mr. Bouchey explained the project briefly and advised it was brought before the board last fall. Justin Miller confirmed that it was around August of last year and the applicant went through the whole review process; initial resolution, public hearing and authorizing resolution. Mr. Dunne advised they have submitted a new application for the board to review. Mr. Miller advised the numbers of units are changing from 38 to 33 and it was reconfigured due to FEMA regulations. Due to these changes, the applicant will have additional costs and will have to go back through the SEQR and planning process. Mr. Dunne advised he will send out a new PILOT agreement in the following week. He added that he has been working with the Assessor to come up with a fair assessed value of the final project.

Mr. Doherty asked if there was a mistake on the square footage. Mr. Dunne advised that it may seem off due to the old farmhouse building on the site. Mr. Doherty asked if there will be individual buildings or in groups. Mr. Dunne advised that there will be 3 units in 11 connected buildings, similar to townhouses. The total square feet will be approximately 45,000 sqft. Mr. Bouchey remembers the proposal discussed and liked the look of the apartments. He added that he is open to entertaining a project outside of the downtown. Mr. Dunne explained that they are looking to have a 20 year PILOT set up. Mr. Bouchey advised that he felt a 20 year PILOT is a long term and he is worried about the extra revenue that is needed at this time. He did not want to lose momentum that is happening at this time. The Chairman advised that the City will be receiving revenue that is not currently coming in at this site. Mr. Doherty agreed that he is glad to see development happening outside of the downtown. Tina Urzan asked about the specifics of the PILOT agreement. Mr. Miller advised of the general working of setting up a PILOT agreement. Kathy Ceitek asked about the access in and out of the site. Mr. Dunne advised both access in and out of the site will be on Campbell's Ave. Tina Urzan asked if the setbacks changed after the discussion at the last meeting. Mr. Dunne advised that they will address that during the planning process, but seem to be within the guidelines. Mrs. Urzan noted that the road may have to be widened at some point. Mrs. Ceitek noted maybe a traffic light could be added. The Chairman added that the planning board will have to look at those details. We are just voting on the application at this point.

Mr. Dunne talked about the process of coming up with the PILOT payment schedule. The Chairman wanted to add that we are getting revenue that we wouldn't have otherwise gotten. Mr. Dunne advised there will also be permitting fees and water revenues being collected. He added that by this project coming through Troy's IDA, the development fees collected will be going right back into our public benefit projects. The Chairman added that fees received by the county IDA will go to projects throughout Rensselaer County. Mr. Doherty asked if the length of the PILOT can be changed. Mr. Dunne advised that they make the PILOT specific to the type of project that is happening but there is a general guideline that they follow. Mr. Bouchey expressed that long PILOT schedules are problematic because by the time the projects are paying the full amount in taxes they may need major repairs or are being sold to another developer that could also come in and ask for a new PILOT. The Chairman advised that the types of projects happening downtown are usually completed by larger companies that

can take the risk to work with the older buildings. This project is not a large developer. Mr. Doherty advised it is exciting to see the smaller developers presenting projects. (See attached Resolution No. 04/15 #1)

**Tina Urzan made a motion to approve the application for Amedore-Gordon Development Group II, LLC.
Hon. Bob Doherty seconded the motion, motion carried.**

IV. Kennedy Park Survey

Mr. Dunne spoke about the parcel of City owned park land located at the Southside of Kennedy Towers along Federal Street. It was not known that this was parkland until about seven years ago when a proposal was submitted to put a bank there. The LDC has been contacted by a developer that would like to put a hotel there. Mr. Dunne advised that the parcel would have to go through an RFP process and then be put in front of the Troy City Council. It would also have to go through an alienation process by which we would need state approval to sell it and then find an equal piece of land to swap for this one that can be used as parkland. Mr. Dunne asked the board for up to \$3,000 to get a survey done of the site. Mr. Bodnar asked if we had any idea of the acreage of the site and asked if a hotel could fit there. Mr. Bouchey advised that this is one of the arteries of Troy leading up to RPI. He noted the positive steps that RPI has taken to make that neighborhood visually appealing and suggested that a conversation take place with them to get their opinion about the site. Mr. Bouchey also asked if that area wouldn't serve the community better as a park. The Chairman wanted to note that getting a survey done with meets and bounds does not finalize the project. Mr. Dunne agreed, but noted that it is timely due to the process of changing parkland to a private developer. He added that if the process is not started, they will have to wait until next year. Mr. Bouchey questioned spending money on a survey on something that is not viable and may or may not happen. Mrs. Urzan agreed and added that she enjoys the green space there and feels that it is a very congested area without a hotel. She added that RPI may not be in favor of the idea and added that there are other areas further north that may provide more space. The Chairman wanted the opinion of the two City Council board members that will be voting on the sale of the parcel. Mr. Bodnar advised that he does not see any harm doing a survey. It doesn't mean that something has to be done, but it's a small risk to take compared to what the possible benefits could be down the road. Mr. Doherty added that he agrees with all of the comments so far and explained that having a survey could be useful to the site if the project goes through or not. The Chairman advised that we can put something into the agreement that if a project does get done at that site we would like reimbursement. Mr. Bodnar advised RPI is an important partner in this project and would like to include them in the discussion of the project when it happens. Mr. Dunne advised he will reach out to RPI.

**Hon. Dean Bodnar made a motion to approve up to \$3,000 in funding for a survey of the potential project site.
Hon. Bob Doherty seconded the motion.
Tina Urzan and Steve Bouchey voted no.
Kathy Ceitek, Bill Dunne and Kevin O'Bryan voted yes, motion carried.**

5 Yes 2 No

V. New Business

501 Broadway, Rosenblum – Mr. Dunne advised that this project was on the agenda and then taken off. He advised that Redmond Griffin and Jeff Mirel are here to discuss the project.

Redmond Griffin introduced himself to the board. Mr. Griffin advised that he is an attorney in the City of Troy and is working with The Rosenblum group to present their project for 501 Broadway. He advised that it is one of the most magnificent buildings downtown, but it will present a lot of challenges when changing it over to residential. Mr. Griffin added that the building was considered for a possible City Hall site by both administrations. Mr. Griffin advised the building is beloved by many people in the City and has been a fixture in the community for quite some time. Mr. Griffin noted that a PILOT program is necessary for this project to take place.

Jeff Mirel of Rosenblum Companies talked about the background of their company. He advised that they are new to the Troy market, but have worked throughout the capital district for over 35 years. Mr. Mirel advised that they developed and continued to manage over 500,000 sqft of commercial and residential space. He noted that one of their flagship properties is the Great Oaks office park which was completed in the 90's. Mr. Mirel explained that part of Rosenblum Companies modus operandi is not just to develop, but to manage and re-develop our properties to keep them up to new construction standards. He advised that they are one of the first companies to develop on Washington Ave Extension in Albany and have very diverse groups of tenants in their office parks. Mr. Mirel shared images of some of their other projects and noted that they focus on the exterior of the buildings as well as ecological sustainability and being environmentally friendly is also important to us. Mr. Mirel spoke about one of their first multi-tenant residential developments at 17 Chapel Street. He advised that it was a former Hudson dealership that was repurposed into a luxury condominium building and served as a catalyst for that area for residential development. Mrs. Urzan noted that they are beautiful apartments. Mr. Mirel also mentioned Albany Barn, a project that he worked alongside Albany Housing to redevelop St. Joseph's Diocese School. He advised that the building was a blight to the community and it was successfully turned around into 22 work/live apartments.

Mr. Mirel talked about the project at 501 Broadway. He advised that they are very excited about the project and noted that the building is an assemblage of five additions that occurred overtime. He noted that the building has been used for one sole purpose over the past century and all aspects of production happened at this site. Mr. Mirel spoke about the vision of the site; mixed retail and apartment building. He noted that this very important link between RPI on the hill and the central business district downtown. The building has been a cornerstone of downtown, communications and industrial development. For the future, there is a tremendous opportunity to address the need of a mid-market housing option. He advised about \$1.40 per square feet. The Chairman asked for Mr. Mirel to convert the dollar amount per square foot into rental amounts. Mr. Mirel gave a rough estimate as \$800-\$1,000 and a couple of units up to \$2,000. They are currently working through some preservation issues we don't know exactly how the apartments will look in the end. He noted that they will focus on one bedrooms, for students and working professionals. They will also have a couple of studio apartments, two bedrooms and some three bedrooms. He noted that they will look into the needs of the market.

Mr. Mirel noted some of the challenges that they will face with this postindustrial building, especially the different floor plates and configuration of the building. He advised that they were thinking of removing the 1980's addition that housed the printer and obscures the 1920's brick façade. The building has never been used for apartments ever before and that could translate into additional money being spent. He added that they are still evaluating the environmental conditions of the property, awaiting phase II results. He advised that remediation of hazardous materials could drive the construction costs up. Mr. Mirel advised that there are a lot of unusable fixtures, machinery and equipment that will have to be removed while working to preserve some of the features. He added that this building is the border of the preservation district which comes with strict guidelines. Mr. Mirel advised they want to make the tenants comfortable while keeping up with the historical set up of the building. Mr. Mirel spoke about the benefits of the property to future residential and commercial tenants. The parking lot will be upgraded and will allow us to expand in the future.

The Chairman asked about the budget. Mr. Mirel advised that it will be about \$9 Million; tax credits will be essential to the project. The chairman wanted the board to understand the amount of investment will be made on this historic building with possibility of not much return. Mr. Mirel added that this project will not create many jobs but there is room for jobs to be created. There will definitely be construction jobs. He advised that they are looking at a larger market and are excited to bring an attractive building to offer to people when they visit. Mrs. Urzan asked if there is a basement in the building. Mr. Mirel advised that we may be able to recapture some of the space for retail. If a restaurant were to come into the space it would be great for a commercial kitchen. The rest of the space could be used for tenant amenities; fitness center, bike storage. He advised that their group has an affinity for downtown development. Mr. Bouchey wanted to thank Rosenblum for making an investment in Troy and added that there may be room in North or South Troy for an Albany Barn project. Mr. Mirel advised that he would love to do more like it. Mr. Doherty advised that he had toured 17 Chapel and wanted to note how accommodating and well thought out the project was.

Mr. Bodnar asked about Rosenblum's ownership of 501 Broadway. Mr. Mirel explained that they have a fully executed purchase and sale agreement and as part of that agreement we have a period of time where we have to make a decision to move ahead or not. Currently the numbers are being evaluating, but are very committed to the project. He advised that they are currently evaluating the through the environmental portion and have done a walkthrough with SHPO to address any challenges. Everything has to be just right in order for the project to work. Justin Miller asked about the timing for the planning and SEQR review. He added that we follow the planning process. Mr. Bouchey asked what the overall timeframe of the project would be. Mr. Mirel estimated about two years. Mr. Bouchey asked if the façade will remain intact. Mr. Mirel advised yes. He advised that they have done a lot of work with local groups within Troy and is very excited about the project. The Chairman thanked Mr. Mirel for his presentation and noted they will be back again for further discussions.

VI. PARIS report

Bill Dunne spoke about the PARIS report that was submitted to NYS on March 31st. He advised that there were a couple of corrections that had to be made. He has a final copy that he can email to the board members or give them a hard

copy if requested. Mr. Bodnar asked if the employment figures were completed. Mr. Dunne explained that the job figures are collected from each of the businesses. Denee Zeigler advised that the draft copy of the report did not have all of the employment data entered. An email was sent out that had estimates of jobs to be created from the IDA projects, but that was not part of the PARIS report. Mr. Dunne advised that they were updated in the final submission which will be emailed to all of the board members.

VII. Financials

The Chairman asked if the financials could be sent out ahead of time in order for the board to review before the meetings and reference during the meetings. Mrs. Skiba advised she could do that for future meetings.

Mrs. Skiba handed out a hard copy of the final audit that was presented at the last meeting by SaxBST.

Mr. Skiba noted the cash amount. She noted accounts receivable; made up PILOTs and loan payments due. The due from other governments section is the \$250,000 for the Riverfront Park Access project at 273 River Street. Mrs. Skiba noted accounts payable; under liabilities is the SaxBST bill that will be paid in April. The due to other governments section includes PILOT payments that are due to the City. The revenue section shows a portion of the Beman property deposit for a portion of the PILOT administration fee. The operating statement shows the application fees for two projects. Mr. Miller advised that there should be some additional administrative fees for Proctors and Beman. Mrs. Skiba will look into those fees and make sure they are on the financials. Mr. Miller advised it should be in unrestricted cash. Mrs. Skiba noted some smaller bills for legal notices, fees, accounting and engineering. The Chairman asked about the easement fee. Mr. Miller advised it is for the Ingalls Ave boat launch.

**Steve Bouchey made a motion to approve the financials.
Hon. Dean Bodnar seconded the motion, motion carried.**

VIII. Old Business

Insurance Policy - Mr. Bouchey asked about the named insured/additionally insured question that came up at the last meeting. Mr. Miller will have it ready for the next meeting.

273 River Street - Mrs. Urzan asked about a recap of the staircase project at 273 River Street. Mr. Dunne advised that it should be completed in about 45 days. The weather really slowed the project down. They have commenced work and need a stretch of warmer weather to put on the finishing touches.

Ingalls Avenue Development – Mrs. Urzan asked about the status of this project. Mr. Dunne advised he spoke to NYS DOS recently. They advised they are getting closer to getting the permits to move forward.

Beman Properties – Mr. Doherty asked if the project had closed. Mr. Dunne advised.

IX. Adjournment

The IDA meeting was adjourned at 11:32 a.m.

**Steve Bouchey made the motion to adjourn the IDA meeting.
Tina Urzan seconded the motion, motion carried.**