

Vice-Chair
Steve Bouchey

Troy
Industrial Development
Authority



Board Members

Hon. Dean Bodnar

Mr. Paul Carroll

Hon. Robert Doherty

Louis Anthony

Mary O'Neill

Lisa Kyer

Tina Urzan

And

Capital Resource Corporation

BOARD OF DIRECTORS MEETING

April 11, 2014
10:30 a.m.

Planning Department Conference
Room

City Hall

A G E N D A

- I. Approval of Minutes from March 28, 2014 board meeting.
- II. Public Hearing Dauchy / River Triangle - American Theater project (Justin)
- III. 33-31 Second Street (Bill)
- IV. Riverfront Park Access update (Andrew K)
- V. Mlock parcel (Bill/Justin)
- VI. Financials (Selena/Joe)

GOVERNANCE COMMITTEE

- VII. By Laws Review (Bill)

CRC

- VIII. Funding for Land Bank
- IX. New Business
- X. Adjournment

**City of Troy
Industrial Development Authority
And
Capital Resource Corporation**

March 28, 2014
10:30 AM
Meeting Minutes

Present: Steve Bouchey, Bill Dunne, Hon. Dean Bodnar, Paul Carroll, Mary O'Neill, Hon. Robert Doherty, Tina Urzan

Absent: Lou Anthony and Lisa Kyer

Also in attendance: Justin Miller Esq., Dep. Mayor Pete Ryan, Selena Skiba, Joe Mazzariello, Paul Getz, Monica Kurzejeski, Andy Piotrowski and Denee Zeigler

Vice Chair, Steve Bouchey, called the meeting to order at 10:30 a.m.

I. Minutes from the March 14, 2014 meeting

**Mary O'Neil made a motion to approve the minutes from the
March 14, 2014 meeting.
Paul Carroll seconded the motion, motion carried.**

II. Audit Presentation / Financials

Mr. Bouchey introduced Paul Getz who will be presenting the IDA and CRC audit to the board members. Mr. Getz handed out financial statements from the IDA and CRC. The IDA statement will be discussed first.

Mr. Getz spoke about the layout of the financial statements. The independent auditors report is similar to the layout from last year. The way it is set up, it describes the financial statements themselves, the responsibilities of management and the auditor's responsibilities and opinion. Mr. Getz noted that the opinion is the highest level of assurance an auditor can give on a financial statement. Mr. Getz advised the result of the audit was an unqualified opinion.

Mr. Getz explained there was a merger that took place at the beginning of 2014, the opinion from last year shows the predecessor firm. The opinion this year will reflect the successor firm. There is also a note that explains the manager's discussion and analysis that usually accompanies a report such as this, is required but not present for this type of board. It does not affect the report in a negative way. Page three of the opinion, references the opinion of internal control and financial reporting which is located at the back of the report.

Mr. Getz explained that page four depicts the assets, liabilities and net position of the IDA for December 31st of 2012 and 2013. Mr. Getz went through the current assets and loans receivable noting the loan with IBT and the contractual

agreement with the City for work done for the authority. The income statement on page five is separated by operating revenue and operating expense. Mr. Getz indicated the significant administrative fees generated for 2013. Two significant operating expenses under economic development were for the security cameras and for designs for Riverfront Park access project. Mr. Getz also wanted to note the establishment of a bad debt allowance for IBT. Mr. Getz explained that everything else is in line with 2012. Mr. Getz spoke about the cash flow statement for 2013 shown on page five.

Mr. Getz explained the remaining of the financial statements are the notes. He spoke about two significant notes. Note four describes the loan with IBT and note five that shows the related party transactions with the City. Mr. Getz concluded the presentation and asked for any questions or comments.

Bill Dunne asked for clarification about the charges for the security cameras discussed in operating expenses. Andy Piotrowski explained it was for the security cameras for the Riverfront Park Access project.

Joe Mazzariello asked for additional explanation about page twelve. Mr. Getz advised that it shows the debt we participated in back in 2000 and 2002. It is a schedule that is required to be presented. The IDA does not have any responsibility for the debt. It is conduit debt that the board participated in. The board had a general discussion on the bond debt. Justin Miller noted that in order for the IDA to be in existence, it is required to have an existing bond. Mr. Getz clarified that they don't pay the IDA. Mr. Mazzariello further noted that their debt is the responsibility of applicants. The IDA has to report that we are participating in that debt.

Hon. Dean Bodnar asked for additional information about the bad debts discussed in note four. Mr. Getz explained that the loan for IBT was moved to bad debt in order to create a reserve of about 20% of the balance. It reduces the assets on the balance sheet in the event they are not able to pay out the loan completely. Tina Urzan asked if that 20% would be lost or if we would be able to get that amount back. Mr. Getz explained that if they pay in full, the funds would still come back to the IDA. Mr. Bodnar asked if they are current now. Mr. Mazzariello advised yes. Mr. Getz explained that there is a risk in economic development loans. Mr. Getz noted that there were some older loans that were written off in 2012.

Mary O'Neil questioned the ABO filing deadline on page 15. Mr. Miller advised November 1st is the due date. Mrs. O'Neil was concerned that we didn't make the deadline for filing the budget with the ABO as well as the non-compliance for the website. Mr. Miller asked if it was the budget or the annual report that was late. Mr. Getz advised it was for the budget. Mr. Miller advised the due date on the report shows it was filed in March. Mr. Getz will check the dates and wanted to advise that this report is a draft that will need to be approved by the board in order to be sent to NYS. Hon. Bob Doherty appreciated the presentation. Mr. Bouchey asked if there were any other questions from the board.

**Hon. Bob Doherty made a motion to approve the SaxBST financial statements and audit report for the IDA.
Tina Urzan seconded the motion, motion approved.**

Capital Resource Corporation

III. Audit Presentation

Mr. Getz gave a brief overview of the Capital Resource Corporation's financial statements, noting that the set up is the same as the IDA presentation. He advised that this is a very small board that has cash and little activity. Mr. Getz advised that the activity for the year is on page five and shows the security camera project with the City of Troy and the 'playscapes' furniture project with RPI. The remainder of the report is similar to the IDA. City staff does work for this board without compensation. Mr. Getz advised the report disclosed the relationship with the IDA. This report also shows conduit financing with RPI, similar to the IDA.

Mr. Getz commented that because the minutes of the IDA and CRC are co-mingled and it may cause confusion for the public. Mr. Getz noted specifically that approval of funds for the Riverfront Park access project in the minutes from the January 2014. Mr. Miller advised that technically one meeting should close and then the other should be opened. Mr. Getz explained that he understands the boards are made up of the same people, but make sure it is clear to the public.

Mr. Doherty questioned the status of the 'playscapes' furniture project. Mr. Dunne noted that we are currently working with RPI on this project. No additional funds have been expended. Dep. Mayor Pete Ryan explained that the project is moving forward and we should hear more on it in the future.

**Hon. Bob Doherty made a motion to approve the SaxBST financial statements and audit report for the CRC.
Tina Urzan seconded the motion, motion approved.**

Troy Industrial Development Authority

IV. Financials

Joe Mazzariello gave a brief overview of the current financials of the IDA including the loan receivables, memberships due and administrative fees collected. Mary O'Neil asked about the accounts payable. Mr. Mazzariello advised that they are the PILOTs that are due. Mr. Bouchey asked if there were any other questions. Mr. Mazzariello advised that the PARIS report is due March 31st and plans on entering this information on time.

Mr. Bouchey asked if the board could move to executive session at this time to discuss real estate matters.

Tina Urzan made the motion to move to executive session to discuss real estate matters.

Paul Carroll seconded the motion, motion carried.

Tina Urzan made the motion to adjourn executive session with no action taken.

Paul Carroll seconded the motion, motion carried.

V. Adjournment

Tina Urzan made a motion to adjourn the meeting.

Hon. Bob Doherty seconded the motion, motion carried.

The meeting was adjourned at 11:33 a.m.

DRAFT

PUBLIC HEARING AGENDA
TROY INDUSTRIAL DEVELOPMENT AUTHORITY
DAUCHY/RIVER TRIANGLE, LLC

APRIL 11, 2014, AT 10:30 A.M.
CITY HALL, 433 RIVER STREET, 5TH FLOOR, TROY, NEW YORK 12180

Report of the public hearing of the Troy Industrial Development Authority (the “Authority”) regarding the Dauchy/River Triangle, LLC Project held on Friday April 11, 2014, 10:30 a.m., at the Troy City Hall, located at 433 River Street, 5th Floor, Troy, New York 12180.

I. ATTENDANCE

William Dunne, Authority CEO
Justin S. Miller, Esq., Authority Transaction Counsel
[list other TIDA representatives in attendance]
[_____, Company Representative]
Members of the General Public

II. CALL TO ORDER: (Time: 10:30 a.m.). _____ opened the hearing and _____ 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* on March __, 2014, a copy of which is attached hereto and is an official part of this transcript. A copy of the Application submitted by Dauchy/River Triangle, 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

DAUCHY/RIVER TRIANGLE, LLC (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 or other interest in certain parcels of real property located at 264-276 and 285 River Street, Troy, New York 12180 (the “Land”, being more particularly identified as TMID Nos. 101.53-3-1.21 and 101.45-5-3) and the existing improvements located thereon, including an approximately 18,000 square foot, multi-story building known as the “River Triangle Building and an approximately 6,000 square foot former theater (the “Existing Improvements”); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to provide for multi-tenanted commercial facilities and 9 market rate apartment units, including the reconfiguration of existing commercial and theater space to accommodate upgraded commercial and retail spaces and apartment units, along with the installation and improvement of common areas, heating systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the “Improvements”), all of the foregoing intended for the Company’s ownership and operation of the Improvements as a mixed-

use commercial, retail and housing facility that will be leased by the Company to commercial, retail and residential tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the “Equipment” and, collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and (D) the lease of the Authority’s interest in the Facility back 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 Fifteen (15) years providing (i) a frozen “Base Value” requiring full taxes to be paid on the existing assessed value of the Land and Existing Improvements, and (ii) an abatement schedule applied to the “Added Value” associated with the Improvements that provides a 100% exemption from taxation for the Added Value in PILOT Years one through eight, with such exemption being reduced to 80% in PILOT Year nine, 60% in PILOT Year ten, 40% in PILOT years eleven and twelve, and 20% in PILOT Years thirteen through fifteen.

IV. AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$4,270,000,000. 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 Exemptions (\$1,869,000 Mortgage)	=	\$23,362.50
Sales and Use Tax Exemptions (Estimated \$2.5M in taxable materials)	=	\$200,000.00
PILOT Schedule**	=	\$621,069.12
Total estimated Financial Assistance	=	\$844,431.62

IV. SEQRA:

The Planning Commission of the City of Troy (the “Planning Commission”), as lead agency pursuant to the State Environmental Quality Review Act and regulations adopted

pursuant thereto (collectively, “SEQRA”), previously reviewed the Project and on [October 10, 2013] adopted a negative declaration (the “Negative Declaration”) with respect to the Project.

Theater?

VI. PUBLIC COMMENTS

VII. ADJOURNMENT

As there were no comments, the public hearing was closed at _____ a.m.

BY LAWS
OF
THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY
TROY, NEW YORK

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Troy Industrial Development Authority”.

Section 2. Members. The Authority shall consist of a Chairman and eight other members, all of who shall be appointed by the Mayor of the City for a term of three years, and shall include two members of the City Council and one representative from each of the fields of business, industry, labor and the School Districts of the City of Troy. Each appointment to the board shall be subject to confirmation by the City Council. The Chairman and each member shall continue to serve until the appointment and confirmation of his or her successor. Vacancies in such board occurring otherwise than by expiration of term shall be filled by the Mayor by appointment for the unexpired term subject to confirmation of the City Council. Except for members who serve as members by virtue of holding a civil office of the state, the remaining members shall be independent members. An independent member is one who: (1) is not, and in the past two years has not been, employed by the authority or an affiliate in an executive capacity; (2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than \$15,000 from the authority; (3) is not a relative of an executive officer or employee in an executive position of the authority or an affiliate; and (4) is not, and in the past two years

has not been, a lobbyist registered under a state or local law and by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the authority or an affiliate. A public officer or employee may be appointed as a member without forfeiture of any other public office or employment. However, no member, including the chairperson, shall serve as the chief executive officer, comptroller, or hold any other equivalent position while also serving as a member of the board. All members and officers of the Authority including the Executive Secretary position, shall be covered by a "Directors and Officers Liability" Insurance policy provided by the Authority.

Section 3. Office of Authority. The offices of Authority shall be in the City of Troy at City Hall, Monument Square, or as the Authority may from time to time designate by resolution.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer, Contracting Officer, Assistant Secretary, and Assistant Treasurer.

Section 2. Chairman. The Chairman shall preside at all meetings of the Authority. The Chairman shall sign all contracts, deeds and other instruments made by the Authority including such consultant contracts as approved by majority vote of the Authority. At each meeting, the Chairman shall submit such recommendations and information as he or she may consider proper concerning the business affairs and policies of the Authority.

Section 3. Vice Chairman. The Vice Chairman shall be elected by members of the Authority and shall perform the duties of the Chairman in the absence or

incapacity of the Chairman, and in case of a vacancy in the office of the Chairman.

Section 4. Secretary. The Secretary shall be the Executive Secretary of the Authority or if there is no Executive Secretary, the Secretary will be designated by members of the Authority and shall keep the records of the Authority, shall act as Secretary of the meetings of the Authority and record all notes, and shall keep a record of the proceedings of the Authority in a Minute Book to be kept for such purposes, and shall perform all duties incident to his or her office. The Secretary is a non-voting position.

Section 5. Counsel. Counsel shall be designated by a majority vote of the Authority, and compensation to be paid established by the Board.

Section 6. Role and Responsibilities of Board Members. The Members of the Authority shall (1) execute direct oversight of the authority's chief executive and other senior management in the effective and ethical management of the authority; (2) understand, review and monitor the implementation of fundamental financial and management control's and operational decisions of the authority; and (3) perform such duties as are incumbent upon them by reason of their office and shall perform such other duties and functions as may from time to time be required by the Authority or the By-Laws, or which may arise by reason of their-appointment to serve on committees functioning within the Authority or in cooperation with other persons or groups.

Section 7. Treasurer. The City Comptroller of the City of Troy, or in his or her absence, the Deputy City Comptroller, is appointed Treasurer of the Troy Industrial Development Authority. The Treasurer is a non-voting position.

Section 8. Contracting Officer. The City Comptroller of the City of Troy, or in his or her absence, the Deputy City Comptroller, is appointed Contracting Officer of the Troy Industrial Development Authority. The Contracting Officer is a non-voting position.

Section 9. Assistant Secretary and Assistant Treasurer. The Treasurer of the Authority is appointed Assistant Secretary and the Secretary is appointed Assistant Treasurer of the Troy Industrial Development Authority, each to perform the duties of the other during his or her absence. The Assistant Secretary and Assistant Treasurer are non-voting positions.

ARTICLE III - MEETINGS

Section 1. General Provisions. Meetings of the Authority shall be held at such time and place as may be designated by the Chairman of the Authority. All meetings shall be held in City Hall in the absence of the specific designation of some other meeting place.

Section 2. Quorum. The powers of the Authority shall be vested in the members thereof in office from time to time. Five members shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. At least twelve hours notice of the time and place of holding an adjourned meeting shall be given to the member who was not present at the meeting from which adjournment was taken. When a quorum is in attendance, the Authority upon unanimous vote of the five members present may take action.

Section 3. Order of Business. At Regular Meetings of the Authority, the following shall be the order of business:

- I. Reading and approval of the Minutes of any previous Regular Meeting and any intervening Special Meeting.
- II. Communications
- III. Report of Chairman
- IV. Reports of Committees
- V. Unfinished Business
- VI. New Business
- VII. Adjournment

An agenda following the above format shall be prepared prior to each meeting and delivered to the members at least seventy-two (72) hours before time of said meeting. All resolutions shall be in writing, titled, numbered, and a copy kept in a Minute Book of Authority.

Section 4. Manner of Voting. All questions coming before the Authority shall be presented in the form of motions or resolutions chronologically numbered. The vote on all resolutions shall be by roll call, by electronic mail, or by telephone. Five members shall constitute a quorum for the purpose of conducting votes by electronic mail or telephone. Action may be taken by the Authority upon the unanimous vote of five members responding to a motion or resolution made by electronic mail or telephone. Each resolution and motion shall be entered in full upon the minutes of the meeting. For all resolutions, the ayes and nays shall be recorded.

ARTICLE IV – INDEPENDENT COMMITTEES

Section 1. Governance Committee. The governance committee shall: (1) keep the board informed of current best governance practices; (2) review corporate governance trends; (3) update the authority's corporate governance principles;

and (4) advise appointing authorities on the skills and experiences required of potential board members

Section 2. Audit Committee – The audit committee shall recommend to the board the hiring of a certified independent public accounting firm for the authority, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by; the accounting firm hired for such purpose.

ARTICLE V – CODE OF ETHICS

Section 1. Code of Ethics. The Board shall adopt a code of ethics that is applicable to members, officers and employees pursuant to Article 18 of the GML, and that at a minimum, includes the standards established in Section 74 of the Public Officers Law.

ARTICLE VI – AUTHORITY POLICIES

Section 1. Administrative Policies. The authority shall establish policies regarding: investments, travel, real property acquisition, real property disposition, procurement, and, defense and indemnification.

Section 2. Board Training. Members must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment.

ARTICLE VII – AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Authority shall be amended only by resolution adopted by the affirmative vote of six (6) members of the Authority at a meeting held after seven (7) days notice in writing to each member of the substance of the proposed amendment.