



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

**January 9, 2015  
8:30 a.m.**

**BOARD MEMBERS PRESENT:** Kevin O’Bryan, Bill Dunne, Andy Ross, Dep. Mayor Pete Ryan and Hon. Ken Zalewski

**ABSENT:**

**ALSO IN ATTENDANCE:** Ken Crowe, Monica Kurzejeski, Sharon Martin, Vic Christopher, Heather Lavine, Mike Demasi, Joe Mazzariello, Selena Skiba, Justin Miller and Denee Zeigler

**Minutes**

The Chairman called the meeting to order at 8:37 a.m

I. Minutes

The board reviewed the minutes from the December 12, 2014 and December 30, 2014 board meetings.

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

II. BDAP loan for Infinity Cafe

Bill Dunne spoke to the board about the application from Infinity Café and the presentation by Matthew Dame at the last meeting. Mr. Dunne explained the applicant was looking to use their kitchen equipment as collateral. The applicant was not able to make the meeting but relayed to the board that they already have ten parties booked for when they expand. Ken Zalewski asked about the name on the application. Mr. Dunne advised that Matthew Dame was the person that presented the project to us, the person on the application is his wife and they are in the business together.

**Dep. Mayor Pete Ryan made a motion to approve the  
application for Infinity Café and set up a loan term sheet.  
Hon. Ken Zalewski seconded the motion, motion carried.**

III. Annual Business

Bill Dunne spoke to the board about the annual board business. The first item was the annual board evaluation form. He advised that it is confidential and will be turned into Denee Zeigler who will forward it to the ABO by March 31<sup>st</sup>.

The second item is the Annual Disclosure Statement. This form is something that has to be filled out by anyone serving on a board or council. Mr. Dunne advised that if they have already filled them out because they are on another board/council, please let us know so that we can check you off of the list.

The third item is board member training that needs to be completed. Mr. Dunne advised that it is not needed annually, but must be done at least once. Mr. Dunne will follow up next month.

The last item is the PARIS report that is due to the ABO by the end of March. The chairman spoke about the importance of these reports. He advised that he wants the board to be aware of what we are submitting to the ABO so that we are all informed.

#### IV. Parking Study

Mr. Dunne spoke to the board about the redevelopment of the City Hall site and concerns that have been raised by the residents and business owners about parking. Kirchoff Companies, the developer of the site, has agreed to contribute \$25,000 towards a downtown parking study. Mr. Dunne suggested that the LDC might be able to match or contribute to that cost. Currently, a change order is being entertained with Fischer Associates, who is conducting a parking analysis as part of the comprehensive plan. Mr. Dunne advised the analysis included in the comprehensive plan is about 18 months away and this would happen in the next few months. Mr. Ryan asked about the cost and time frame in which the study will take place. Mr. Dunne asked to authorize up to \$35,000 and advised that they can start right away and be completed in about 4 months. Andy Ross asked when he would like to have the contract in place. Mr. Dunne advised he would like to see it by the end of this week.

Mr. Zalewski asked if this is something that the City should be contributing to instead of the LDC. Mr. Dunne advised that the downtown businesses and residents will benefit this and it is part of the LDC's mission to lessen the burden of government. Mr. Miller advised that we are a supporting organization. The chairman added that the businesses and people of downtown will benefit. Andy Ross explained that additional parking will help the businesses currently there. Mr. Ryan added that there have been many conversations with resident and businesses about coming up with some different parking ideas and this is a good opportunity to take a look at these ideas. Andy Ross advised that it is a good idea to have a deliverable added to the contract. Mr. Dunne advised May would be a fair timeframe.

**Dep. Mayor Pete Ryan made a motion to approve funding up to \$35,000 to contribute to a downtown parking study.  
Andy Ross seconded the motion, motion carried.**

#### V. Clark House LLC

Mr. Dunne re-introduced Vic Christopher and Heather Lavine to the board. He explained they received a loan previously for Clark House LLC and are looking to refinance to continue working on the property they own downtown. Mr. Dunne noted the exceptional work they have done to the property and advised he is not opposed. He is glad they came back to the LDC for refinancing. Mr. Ryan and the chairman agreed. Mr. Dunne asked if they could have more time to adjust the proposal and creating a term sheet. Mr.

Christopher advised that next month would be fine and would like to thank the board for their initial loan. He advised that the businesses are doing great and the refinance would help to keep the momentum moving forward. Mr. Zalewski also spoke on behalf of the work done on the property and the contribution they have made to the downtown.

**Hon. Ken Zalewski made a motion to approve the refinancing of Clark House LLC's loan.  
Andy Ross seconded the motion, motion carried.**

VI. Financials

Joe Mazzariello spoke about the financials, PARIS report and audit. He advised there are no year-end financials to go over at this point. The PARIS report and audit will need to be voted on by the board and submitted by March 31<sup>st</sup>. He advised they will try to have it completed by the meeting date of March 13<sup>th</sup>. The chairman advised that the audit and PARIS reports are at the top of our priority list. The auditors will be here at the end of January and it will take about 3 weeks for them to complete the audit. Mr. Ross asked if that timeframe is only for the LDC. Mr. Mazzariello advised yes, they are very thorough. Mr. Miller advised it takes a little longer due to the HUD 108 loan.

Mr. Mazzariello went over the receivables. Old World Provisions is currently delinquent. He advised that the board also needs to decide what to do with To Do Development LLC's loan in the amount of about \$106,000. Mr. Miller advised they are currently in bankruptcy court regarding this loan. Mr. Mazzariello suggested that we keep it on the books but make an allowance for it. Mr. Dunne advised we will back in court on February 11<sup>th</sup>. The chairman inquired about how we treat the delinquent loan amounts. Mr. Miller advised that we have an allowance set up for doubtful accounts which is based on a percentage of all of the loans. Mr. Miller advised that Mr. Mazzariello is looking to set up something that is specific to this loan. The chairman advised that we make sure to document the rationale for carrying the loan. Mr. Miller advised that he will discuss this loan with his partners that are handling the bankruptcy. Mr. Dunne added that the loan given to Ekologic has been paid in full and has allowed them to grow their business 15%. Mr. Mazzariello advised we need an update on e-Lot. Mr. Mazzariello advised he would like to answer any of these questions before the auditors arrive. He also asked that all fees be billed to us by the middle of this month.

Mr. Dunne advised Mr. Dunne advised that we move the March meeting to the third Friday of the month in order to allow for additional time. The chairman agreed.

**Hon. Ken Zalewski made a motion to move the March meeting date from the 13<sup>th</sup> to the 20<sup>th</sup>.  
Dep. Mayor Pete Ryan seconded the motion, motion carried.**

VII. Mr. Dunne advised that agenda items 4, 5 and 6 require executive session in order to discuss pending litigation and the acquisition of real property.

**Hon. Ken Zalewski made the motion to move to executive session to discuss pending litigation and acquisition of real property.  
Andy Ross seconded the motion, motion carried.**

**Hon. Ken Zalewski made the motion to adjourn executive session.**

**Andy Ross seconded the motion, motion carried.**

VIII. Amendment to LDA with Vecino Group

Mr. Miller advised that the board has an LDA with Vecino Group for 444 River Street that was scheduled to expire on December 31, 2014. He advised that Vecino Group is pursuing an expanded scope of work that will take longer than the original project that was presented to the board. Mr. Miller advised they are looking for an extension of the term on developing the project. In exchange for the time extension, they have agreed to purchase the building outright with obligations to develop it in a reasonable period of time. The LDA states that the building will be sold to them by March 31, 2015 with additional purchase money to be paid out in thirty months. Mr. Miller advised that this will allow them to keep the 75 units and allow up to 18 of them at 90% AMI. This will also assist them in applying for tax credits. Mr. Dunne advised they are only applying for State tax credits. The chairman asked if there were any other questions. (See attached Resolution)

**Andy Ross made a motion to accept the Amendment to the LDA with Vecino Group.**

**Hon. Ken Zalewski seconded the motion, motion carried.**

IX. 701 River Street

Mr. Miller spoke about the LDC being approached by the owner of 701 River Street, Harmony Tech LLC an organization controlled by Uri Kaufman. He purchased the property from the City in 2011 and has gone through the building and done a stabilization and clean out of the building. Mr. Kaufman has elected not to pursue the comprehensive redevelopment of the building at this point. The owners would like to donate the building to the LDC. The LDC is considering taking ownership of the building and redeveloped similar to 444 River Street. (See attached Resolution)

**Hon. Ken Zalewski made a motion to amend section 1 of the resolution to show a cap of \$35,000 for expenditures.**

**Andy Ross seconded the motion, motion carried.**

**Dep. Mayor Pet Ryan made a motion to approve the resolution authorizing the acceptance of donated real estate located at 701 River Street.**

**Hon. Ken Zalewski seconded the motion, motion**

X.

The meeting was adjourned at 9:15 a.m.

**Dep. Mayor Pete Ryan made a motion to adjourn the meeting.  
Andy Ross seconded the motion, motion carried.**

## TROY LOCAL DEVELOPMENT CORPORATION

At a regular meeting of the Directors of the Troy Local Development Corporation (the "Corporation") was convened on Friday January 9, 2015 at 8:30 a.m.

### RESOLUTION OF THE TROY LOCAL DEVELOPMENT CORPORATION AUTHORIZING (i) THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LAND DISPOSITION AGREEMENT WITH VECINO GROUP NEW YORK, LLC AND (ii) THE TRANSFER OF CERTAIN PROPERTIES

WHEREAS, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Law ("N-PCL" or the "LDC Act") of the State of New York, the Corporation was established as a domestic, not-for-profit corporation on November 29, 1988, and thereafter reincorporated as a domestic, not-for-profit local development corporation pursuant to N-PCL Section 1411(h) pursuant to a certain Certificate of Reincorporation filed on April 5, 2010 (the "Certificate"), all for certain charitable and public purposes, among other things, including relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the City of Troy, New York (the "City") by attracting new industry to the City or by encouraging the development of, or retention of, an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, in furtherance of the purposes and powers vested in the Corporation under the LDC Act and Certificate, the Corporation previously acquired a certain commercial property located at 444 River Street in the City consisting of approximately .45 acres of land (the "Primary Land", as further defined herein) upon which is situated a 5-story commercial building containing approximately 88,000 sf of rentable commercial space (the "Primary Improvements", and collectively with the Primary Land, the "Primary Property"); and

WHEREAS, in furtherance of the redevelopment of the Primary Property to its highest and best use, the Corporation issued a certain Request for Proposals (the "RFP"), wherein the Corporation solicited offers from interested developers to acquire and redevelop the Primary Property, along with an additional parcel of land known as 88 King Street (as further described herein and being a portion of the Secondary Properties, as further defined herein); and

WHEREAS, Vecino Bond Group, LLC ("Vecino"), for itself or on behalf of an entity to be formed, submitted a proposal (the "Proposal") in response to the RFP wherein the Company proposes to undertake a certain Project (the "Project") consisting of (A) the acquisition of the Primary Property and certain Secondary Properties (as defined herein) from the Corporation; (B) the planning, design, rehabilitation, construction, reconstruction and renovation of the Primary Improvements and upon the Primary Property and Secondary Properties of a 75-unit market rate residential apartment facility along with related and appurtenant parking improvements and amenities (the "Improvements"); (C) the acquisition and installation in and around the Primary Property and Improvements of certain machinery, equipment and other items of tangible

personal property (the “Equipment”, and collectively with the Primary Property, Secondary Properties, Improvements and the Equipment, the “Facility”); and

WHEREAS, in furtherance of the Project, the Corporation previously negotiated and authorized the terms for disposition (the “Disposition”) of the Primary Property and Secondary Properties to Vecino affiliate 444 River Lofts, LLC (the “Assignor”) pursuant to a certain Land Disposition Agreement with Exclusive Option and License, dated as of December 21, 2012 (the “LDA”); and

WHEREAS, the Assignor previously requested a secured the Corporation’s approval of two (2) allowable extensions to the Development Term, as defined within the LDA, which expired on December 21, 2014; and

WHEREAS, the Assignor has also requested the Corporation’s approval of (i) the assignment of the LDA from the Assignor to Vecino Group New York, LLC (hereinafter, the “Company”), (ii) the transfer of title to the Primary Property and certain of the Secondary Properties prior to commencement of the Project; (ii) and (iii) the revision of the Project description to be as follows:

(A) the acquisition of the Primary Property and certain Secondary Properties (as defined herein) from the Corporation; (B) the planning, design, rehabilitation, construction, reconstruction and renovation of the Primary Improvements and upon the Primary Property and Secondary Properties of a mixed-use commercial facility that will include (i) 75 units of residential apartments, with 18 of such units to be leased to households that, in accordance with the Internal Revenue Code of 1986, as amended (the “Code”) and applicable regulations promulgated by the United States Department of Housing and Urban Development (“HUD”) and New York State Housing Finance Agency (“HFA”) and/or Division of Housing and Community Renewal (“DHCR”), have no more than 90% of area median income, (ii) commercial and retail spaces on the first floor along with related amenities, along with renovations to the building structure, common areas, kitchen areas, laundry areas, heating systems, plumbing, roofs, elevators, windows, and other onsite and offsite parking, curbage and infrastructure improvements (collectively, the “Improvements”); (C) the acquisition and installation in and around the Primary Property, Secondary Properties and Improvements of certain machinery, equipment and other items of tangible personal property (the “Equipment”, and collectively with the Primary Property, Secondary Properties, Improvements and the Equipment, the “Facility”).

WHEREAS, in furtherance of the foregoing, the Corporation desires to authorize (i) the assignment of the LDA from the Assignor to the Company, (ii) the transfer of title to the Primary Property and certain of the Secondary Properties prior to commencement of the Project; and (iii) the revision of the Project description to be as outlined herein; and (iv) the execution and delivery of a First Amendment to the LDA to effectuate the foregoing.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TROY LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The Corporation hereby authorizes authorize (i) the assignment of the LDA from the Assignor to the Company, (ii) the transfer of title to the Primary Property and certain of the Secondary Properties (88 King Street) prior to commencement of the Project and (iii) the revision of the Project description to be as outlined herein; and (iv) the execution and delivery of a First Amendment to the LDA to effectuate the foregoing. The Chairman (or Vice Chairman) and/or Executive Director of the Corporation are hereby authorized, on behalf of the Corporation, to execute and deliver the First Amendment to LDA in substantially the form attached hereto as **Exhibit A**, with such changes, variations, omissions and insertions as authorized by the Chairman, Vice Chairman and/or Executive Director of the Corporation, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval.

Section 2. The Chairman (or Vice Chairman) and/or Executive Director of the Corporation are hereby authorized, on behalf of the Corporation, to execute and deliver such deeds, certificates, instruments, mortgage and other instruments and forms as necessary to effectuate the foregoing, with such changes, variations, omissions and insertions as authorized by the Chairman, Vice Chairman and/or Executive Director of the Corporation, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Corporation with all of the terms, covenants and provisions of the documents executed for and on behalf of the Corporation. The foregoing authorizations shall include, but not be limited to execution and delivery by the Chairman, Vice Chairman, Executive Director, Secretary and Acting Secretary of the Corporation of banking signature cards and other instruments necessary to evidence the foregoing

Section 4. This resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Yea	Nay	Absent	Abstain
Kevin O'Bryan	[ X ]	[ ]	[ ]	[ ]
William Dunne	[ X ]	[ ]	[ ]	[ ]
Andy Ross	[ X ]	[ ]	[ ]	[ ]
Peter Ryan	[ X ]	[ ]	[ ]	[ ]
Hon. Kenneth Zalewski	[ X ]	[ ]	[ ]	[ ]

The Resolution was thereupon duly adopted.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    ) SS:

I, the undersigned Acting Secretary of the Troy Local Development Corporation, DO HEREBY CERTIFY:

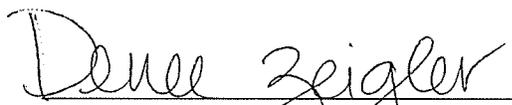
That I have compared the annexed extract of minutes of the meeting of the Troy Local Development Corporation (the "Corporation"), including the resolution contained therein, held on January 9, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Corporation present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 9th day of January, 2015.

  
Denee Zeigler, Acting Secretary

[SEAL]

**EXHIBIT A**

**FORM OF FIRST AMENDMENT TO LDA**