



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

**January 15, 2016
8:30 a.m.**

BOARD MEMBERS PRESENT: Kevin O'Bryan, Bill Dunne, Dep. Mayor Monica Kurzejeski, and Andy Ross

ABSENT:

ALSO IN ATTENDANCE: Justin Miller, Sharon Martin, Deanna DalPos, James Lozano, Mary Ellen Flores, Andrew Kreshik, Ed Doin and Denee Zeigler

Minutes

The Chairman called the meeting to order at 8:30 a.m.

I. Minutes

The board reviewed the minutes from the December 11, 2015 board meeting.

**Bill Dunne made a motion to approve the December 11, 2015 board meeting minutes.
Andy Ross seconded the motion, motion carried.**

II. Annual Board Member forms

The chairman advised that annual board member evaluation forms, financial disclosure and fiduciary agreement are included in their packets. He asked that they are filled out as soon as possible and returned to Denee Zeigler.

III. New Board Member

The Chairman advised the board that a new board member was appointed by the Mayor.

**Bill Dunne made a motion to approve Monica Kurzejeski's appointment to the Troy LDC board.
Andy Ross seconded the motion, motion carried.**

IV. Façade Improvement Grant

The Chairman advised that we have received a façade improvement grant which has been included in with their packets for review. The Chairman asked the board if there were any questions about this application. Andy Ross asked for some detail on the project. Mr. Doin advised that they will be installing two retractable awnings for the outdoor seating. The board members clarified that the project is located on 112th Street not on the corner of 112th Street and 5th Avenue. The

**Bill Dunne made a motion to approve a 50/50 Façade Improvement Grant to Ed Doin of Forty One Property Management LLC.
Andy Ross seconded the motion, motion carried.**

V. Tech Valley Center of Gravity - Hackathon

Bill Dunne spoke about the sponsorship for the Tech Valley Center of Gravity's Hackathon events that were approved at the last meeting. He advised a grant agreement has been drawn up and the check is ready to be disbursed. The board had a general discussion of the events that we will be sponsoring.

VI. King Fuels site

Mr. Dunne advised that the cost of the asbestos survey for the King Fuels site ran over the approved amount by \$645.75. Andrew Kreshik spoke to the board about the additional funds that are needed. He advised that this is part of the pre demolition survey that was done at the eLot building. This was bid out, but it was on a rate schedule. Additional visits to the site were required and additional costs for their report caused it to exceed the amount. Mr. Kreshik advised that there is no asbestos on that site. Mr. Dunne advised that we were doing the pre demolition survey to find out if there was any potential asbestos in that building in the event that the building needs to come down during the second phase of National Grid's clean up. Mr. Kreshik added that we also have the appraised value of the property and we should have a good idea of the value of the site.

**Dep. Mayor Monica Kurzejeski made a motion to approve the additional \$645.75 to Atlantic Testing Laboratories for the pre demo survey of the former eLot building on the King Fuels site.
Andy Ross seconded the motion, motion carried.**

VII. Start-Up NY

Mr. Dunne spoke to the board about the Start-Up NY project and conversations he recently had with Penny Hill. He advised that Mark Shuket of Old World Provisions wants to consolidate his operations to Troy. Mr. Dunne spoke to him about maybe incorporating the Start-Up NY program to retain jobs. He advised that after speaking with Penny Hill, there may be an opportunity for this board or possibly the IDA to enter into an MOU with Hudson Valley. The MOU will extend the Start-Up NY benefits through this organization and allows things that we do to qualify for Start-UP and does not affect the square foot allocation that HVCC has. Monica Kurzejeski asked if we would still have to apply to be accepted. Mr. Dunne advised we would have to apply for the location. Mr. Miller advised that the business does have to qualify. The Chairman asked if we will add in an analytical value to this process in order to pick the applicants. Mr. Dunne advised yes. Mrs. Kurzejeski advised that

the projects still have to go through the program through HVCC and meet their requirements. Mrs. Kurzejeski noted that if there is an issue with a company that is looking to move out of the state, there is a retention department within the state that would assist. The board agreed that the MOU is a good idea and they can discuss more in the future. Mr. Dunne advised that the Start-Up NY engine may be a better fit with the IDA. He advised that sample MOU documents used with Buffalo will be circulated to the board for review. Mr. Ross spoke to the board about the Start-UP NY process that he has been a part of with his new business and caution that we let the applicants know that it can be a lengthy one. Mr. Miller advised that the necessity of the LDC or IDA getting involved is to extend the acreage allocated; the requirement of the program says the project has to be within a certain distance around the campus. Mrs. Kurzejeski advised that the state is encouraging local IDA's to get involved.

VIII. Susan Dunckel and The Enchanted City

Mr. Dunne advised that he Susan Dunckel contacted him about her The Enchanted City festival for 2016 and the possibility of us sponsoring again for \$10,000. He advised that our participation in this last year allowed her to expand and reach out to groups that she normally wouldn't have. He added that it is a great compliment to events such as the Hackathon sponsored by Tech Valley Center of Gravity. Mr. Dunne noted that we need to continue to support this type of event and the people that help make them happen. The Chairman agreed and wanted to note that Susan Dunckel was a great ambassador of the TLDC. He added that there were many positive comments on the event and glad we were a part of it.

**Andy Ross made a motion to approve \$10,000 sponsorship to Susan Dunckel and The Enchanted City for 2016.
Bill Dunne seconded the motion, motion carried.**

IX. Financials

Jim Lozano of CFO for Hire introduced Mary Ellen Flores to the board and advised that she will be assisting him with the financials each month and will present in the event he is not able to.

Mr. Lozano went over the operating statement with the board. He advised that profit and loss finished the year with a deficit of \$41,000. From November to December there was normal activity for interest earnings. He noted some additional expenses this November for some legal bills that we were catching up on with Harris Beach. Mr. Lozano noted that there were two grants approved; Beverly Traa and George Regan. He noted that they are un-audited, but noted we will finish the year +/- a \$2,000 with a deficit of \$41,000.

The chairman noted that we now have a clear picture of the whole year and advised it is difficult to sort out stabilized, ongoing activity and one shot items. He noted the sale of a building as an increase. He also noted that we did a lot of additional economic development grant activities last year as compared to the prior year. Mr. Dunne advised that there was a lot of word of mouth from the 2014 activity that caused people to inquire about grants. He added that there were news articles about the façade programs target areas and linking the stories to the Facebook page. The

chairman noted that if we did not receive the one time payment from the sale of a property, the statement would have looked different. Mr. Lozano agreed that the grant program could not have happened without it. He added that causes the board to question the sustainability. Mr. Lozano advised that is a valid concern and we can take a look at that. He suggested some changes to the financial statements that will help present a better picture. Mr. Miller advised that there will be a shift in cash position soon. The chairman advised that with additional cash coming in and re-occurring revenue we need a cash analysis. Mr. Miller suggested 3-5 year projection. The board had a general discussion about the future projects and finances of the board. Mrs. Kurzejeski asked about the strategic plan for the King Fuels site. Mr. Dunne advised that the plan was put on hold after running into a couple of issues with finding asbestos on the site and National Grid items. The Chairman noted that we are not set up to make money as a business. Mr. Lozano agreed that the LDC will be made up of getting several deals that allow us to turn the cash around into an economic development opportunity. He advised that they will work on creating a roadmap. The chairman advised we will work on that as well as a plan to manage the liquidations. The board had a general discussion about how we allocate funds for debt and advised it will be addressed in February as well.

Mr. Lozano went over the balance sheet with the board members. He advised that we have about \$1.5 Million in assets with \$638,000 in cash. He advised that there is not much change from month to month, normal payoff on our loans receivables and no change on fixed assets. He advised the total assets are \$4.5 Million dollars versus \$1.8 Million in liabilities leaving us with unrestricted surplus of \$2.67 Million. He noted that on the liabilities side we posted two grants for Beverley Traa and George Regan. The chairman asked what the prepaid interest is. Mr. Lozano advised that he does not have it off the top of his head, but noted that the interest was paid at the time the bond was issued. Mr. Lozano advised that they will start working on a high level cash flow to be presented in March. He added that they will present a different format to the board as a possible alternative going forward.

The board asked if \$95,000 is the debt service to the King Fuels site for the year. Mr. Miller advised that there should be a principle payment each year as well at the interest. Mr. Dunne agreed that there is a principle payment also. He added that we did pay off a portion of the loan for the Portec loan that could help lower the balance. The board advised that we will take a look at this and see how it fits into the cash flow report.

Mrs. Kurzejeski asked if the loans are current. Mr. Lozano advised they are all current. The board agreed they would like to check on them each month and had a general discussion on the process. Mr. Ross asked for an update on the façade grant program. Mr. Dunne advised there are very few that were approved and did not carry out the project. Mr. Lozano advised that when it's approved, it is put in the grants payable column.

**Dep. Mayor Monica Kurzejeski approved the financials as presented.
Bill Dunne seconded the motion, motion carried.**

X. Old Business

Mr. Miller advised that there is a litigation issue that would need to be discussed in executive session.

**Dep. Mayor Monica Kurzejeski made a motion to enter into executive session to discuss current litigation.
Andy Ross seconded the motion, motion carried.**

The board returned from executive session with no action taken.

**Dep. Mayor Monica Kurzejeski made a motion to sell notes, mortgages and securities in relation to To-Do Development LLC.
Andy Ross seconded the motion, motion carried.**

XI. Adjournment

The Chairman asked if there was any other business to discuss.
The meeting was adjourned at 9:30 a.m.

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