

City of Troy Industrial Development Authority

May 8, 2015
10:00 AM
Meeting Minutes

Present: Kevin O'Bryan, Bill Dunne, Steve Bouchey, Hon. Robert Doherty, Tina Urzan, Hon. Dean Bodnar, Paul Carroll and Lou Anthony

Absent: Kathy Ceitek and Lisa Kyer

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

The Chairman called the meeting to order at 10:02 a.m.

I. Minutes from the April 10, 2015 board meeting

The board reviewed the minutes from the April 10, 2015 board meeting.

Paul Carroll made a motion to approve the April 10, 2015 meeting minutes.

Hon. Dean Bodnar seconded the motion, motion carried.

II. Gordon Companies – 548 Campbell's Avenue

Mr. Dunne advised that Gordon Companies has withdrawn their application from this meeting but they plan to continue moving the project forward. Mr. Dunne advised that they will continue to work out the details of the PILOT terms and length of the abatement schedule. When new information is received it will be circulated to the board members to discuss at the next meeting. The board had a discussion on the lengths of PILOTs and how job creation relates the terms. Mr. Dunne noted that he looks forward to projects that will create larger amount of jobs. This project will have many benefits to the City, but not in the form of jobs.

III. ABO

Mr. Dunne advised that the NYS Authority Budgets Office contacted us to let us know that we will be part of an audit of about ten of our projects. They have provided us with a list of projects that they will be looking at when they visit on May 15th. Mr. Dunne advised the process should take about 2-3 months.

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. Insurance Policy Requirements

Mr. Miller advised that a draft policy has been prepared that contains adjustments to our current Insurance Policy Requirements. In the past we had strict standards that required applicants to add the LDC as named insured onto

their insurance policies. In a couple of cases, the applicants had to incur additional costs. Mr. Miller advised this update to the policy allows the applicants to add the LDC can be listed as an additionally insured. The draft policy can be applied uniformly to all of our applicants. Dean Bodnar asked how this policy is different from what we already have. Mr. Miller advised the main change is to how we are listed on the applicants insurance policy. It helps to set the standard for our projects. (See attached Resolution No. 15-5 #1)

Paul Carroll made a motion to approve the Resolution to adopt project insurance requirements.

Tina Urzan seconded the motion, motion carried.

V. IDA Recapture Provisions

The Chairman advised this topic has come up recently when talking about what steps an IDA can take if a project is not able to meet the goals they establish when applying for and receiving assistance. The question is how to recoup the funds and what tools are in place to do this, if needed.

Mr. Miller advised that the IDA statute, the law which governs this board, does have a section that requires us to have a Uniform Tax Exemption Policy. It gives us basic guidelines when setting up assistance for applicants and states how we would recoup benefits if the goals are not achieved. Our current PILOT agreement includes a section that gives the board the discretion to recoup from projects; it's not mandatory. Mr. Miller advised that there are situations where the economy will cause changes to job numbers and investments. Recouping benefits may not be the answer in that case. However, if a company closes and leaves abruptly with no notice then we may want to pursue recouping the benefits. In 2012, there was a new rule with Sales Tax Exemptions. It is now a requirement to 'claw back' if their original sales tax amounts are exceeded or using them inappropriately. Mr. Miller advised that these tools are available to you and can be used at your discretion.

The board discussed having a yearly review other than the PARIS report to check up on the status of current projects. Steve Bouchey asked what happens if a project is voted on and then the project dynamics changes. Mr. Miller advised if the transaction is not closed, we can go back in and re-work the agreement. If it happens after the transaction, the annual review will be a way to check on this. Mr. Bouchey asked if things change with the projects and may not be in the best interest of the City, do we have the power to bring them in to discuss. Mr. Miller advised yes. The agreements we have in place give us the ability to do that. Mr. Dunne advised that we looked at the job creation numbers and there is not much change from what they projected. He advised for the projects that had discrepancies, there were mitigating circumstances. Mr. Dunne asked what matrix we will use to initiate the recapture. The Chairman agreed that is a question we will have to discuss. Mr. Doherty agreed that some projects may not be able to meet the expectations due to poor design models.

The board had a discussion about the steps that will need to be taken to notify the projects and then start the process if needed. Mr. Bodnar asked if we get beyond the initial notice stage would it require litigation. Mr. Miller advised we may require litigation, it will depend on where they are at with their PILOT agreement and other factors. Mr. Bodnar asked if we would be able to vote as a board to terminate a PILOT. Mr. Miller advised yes, but would most likely require litigation.

Paul Carroll asked if any of the projects being reviewed are behind on their taxes. Mr. Miller advised the projects being reviewed by the ABO are current. Mr. Carroll noted that many of the projects being reviewed were not tax generating entities prior to the benefits. Mr. Miller agreed that some were previously vacant land. Tina Urzan advised that it is a good idea to include wording in the agreement to state the consequences if the project does not meet the goals. By reaching out to them, we may be able to help them to resolve any issues they are having meeting the goals.

VI. Riverfront Park Access - 273 River Street

Andrew Kreshik spoke to the board regarding the status of the Riverfront Park access project. He advised that winter weather prevented the project from moving forward. The weather is allowing for the work to start up again with a completion date as the second week of June. There was one change order for a pedestrian door leading from the Dauchy building and an awning. Mr. Dunne advised there will be a ribbon cutting scheduled and the board will be notified.

VII. Ingalls Avenue Development project

Mr. Kreshik advised the board that the final packet has been submitted to the Army Corp. of Engineers for the dredging permit. This is one of the last steps of regulatory permitting needed before going to bid solicitation. He advised copies of the permits were requested by NYSDEC to make sure they conform to one another. This step along with acquiring riparian rights to the Mlock parcel allows the project to move forward. National Grid will be involved with the contamination removal and clean up on site. As per a consent order with NYSDEC, as soon as we come across any petroleum they are responsible for removal and clean up. Mr. Kreshik advised that work will have to start after July 5th due to spawning of certain species of fish. Dredging should be able to commence in the Fall. Mrs. Urzan advised she is glad to see this moving forward.

VIII. Financials

Selena Skiba reviewed the balance sheet and operating statement with the board members.

Mr. Bodnar asked about the doubtful accounts. Mr. Miller advised we have one outstanding loan with IBT. Mr. Miller advised they have recently moved to Castleton and have more recently closed their doors. Their loan is considered in default and paperwork has been filed. Mrs. Skiba advised that authorization is needed from the board to write it off. The chairman asked that this item be discussed at the next meeting.

**Hon. Dean Bodnar made a motion to approve the financials.
Paul Carroll seconded the motion, motion carried.**

IX. New Business

Mrs. Urzan advised the board she received an email recently asking about IDA's policy on approving projects that have not applied for federal and historic tax credits prior to asking for assistance. Mr. Miller advised that he is not sure about

the context of the question, but it may stem from a proposal by the Comptroller's office to regulate IDA's more strictly.

Bob Doherty had a question about the budget section of the PARIS report that was handed out previously. He advised the budget year shows fiscal year ending 2015 and a sizable deficit. Mr. Dunne advised that the PARIS report is submitted at year end and should be for 2014. He added that sometimes the reported numbers do not always coincide with our financials. He advised Mr. Doherty he could look into after reviewing a copy of the PARIS report.

X. Adjournment

The IDA meeting was adjourned at 10:53 a.m.

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

RESOLUTION
(Project Insurance Requirements)

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on May 8, 2015, at 10:30 a.m., local time, at 433 River Street, 5th Floor, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Kevin O’Bryan	X	
Hon. Dean Bodnar	X	
Hon. Robert Doherty	X	
Steve Bouchey	X	
Louis Anthony	X	
Paul Carroll	X	
Kathy Cietek		X
Lisa Kyer		X
Tina Urzan	X	

The following persons were ALSO PRESENT: Justin Miller, Selena Skiba, Ken Crowe, Sharon Martin, and Denee Zeigler

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider the adoption of a policy relating to project insurance requirements.

On motion duly made by Paul Carroll and seconded by Tina Urzan, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Kevin O’Bryan	X			
Hon. Dean Bodnar	X			
Hon. Robert Doherty	X			
Steve Bouchey	X			
Louis Anthony	X			
Paul Carroll	X			
Kathy Cietek				X
Lisa Kyer				X
Tina Urzan	X			

Resolution No. 15-5-#1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY
ADOPTING PROJECT INSURANCE REQUIREMENTS

WHEREAS, by 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 (hereinafter collectively called the “Act”), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the “Authority”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, the Authority desires to adopt uniform insurance coverage requirements for projects undertaken by the Authority on behalf of applicants from time to time; and

WHEREAS, the Executive Director and counsel to the Authority have prepare a form of policy for project insurance requirements (the “Insurance Coverage Policy”), a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, in furtherance of risk management and best practices, the Authority desires to adopt the Insurance Coverage Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Authority hereby adopts the Insurance Coverage Policy in the form presented at this meeting and attached hereto.

Section 2. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF RENSSELAER)

I, Denee Zeigler, the undersigned, Acting Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on May 8, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Authority had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Authority 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 8th day of May, 2015.

Denee Zeigler

(SEAL)

EXHIBIT A
PROJECT INSURANCE REQUIREMENTS