



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

**August 19, 2016
8:30 a.m.**

BOARD MEMBERS PRESENT: Kevin O’Bryan, Steve Strichman, Dep. Mayor Monica Kurzejeski, Andy Ross, and Hon. John Donohue

ABSENT:

ALSO IN ATTENDANCE: Justin Miller, Mary Ellen Flores, Jim Lozano, Cheryl Kennedy, Hon. Jim Gulli, Sharon Martin, Adam Siemiginowski, HollyAnne Lupi, Deanna DalPos 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 July 8, 2016 board meeting.

**Andy Ross made a motion to approve the July 8, 2016 board meeting minutes.
Dep. Mayor Monica Kurzejeski seconded the motion, motion carried.**

II. Planning Commissioner

Monica Kurzejeski introduced Steve Strichman to the board members and explained that he is the City of Troy’s new Planning Commissioner. The chairman advised that as the Planning commissioner, he is now a voting member of the Troy LDC and will now take over the role as Executive Director.

III. Façade Grant Program

The Chairman spoke to the 50/50 Façade Grant applicants and advised that all of the information submitted was reviewed ahead of time. There were no questions from the board members. The board was happy to see that work will be done to this location. Ms. Kurzejeski asked if he planned on opening the store back up. Adam Siemiginowski advised that he hopes to re-open it next spring.

**Hon. John Donohue made a motion to approve the 50/50 Façade Grants for Adam Siemiginowski for 377 Congress Street.
Andy Ross seconded the motion, motion carried.**

IV. BDAP Loan - Troy Innovation Garage

The chairman advised that a loan term sheet was circulated to the board members along with the agenda. He verified that this loan is secured and we have personal guarantee from Mr. Nardacci. The board agreed that this is a good loan for the LDC. The board members had no questions on the term sheet. Andy Ross noted that the term sheet states that copies of their taxes are due each year within 45 days of filing. He advised that may be too close of a timeframe and is willing to be lenient on that point. The board agreed. HollyAnne Lupi asked when we would be able to set up a closing date. Justin Miller advised that it will take about two weeks. (See attached Authorizing Resolution 08/16 #1)

**Andy Ross made a motion to approve the loan term sheet and authorizing resolution for 22-24 4th Street, LLC d/b/a Troy Innovation Garage in the amount of \$120,000.
Steven Strichman seconded the motion, motion carried.**

V. Victorian Stroll

Monica Kurzejeski spoke to the board members about a request that was received from the Rensselaer County Chamber of Commerce to sponsor the Troy Victorian Stroll. She advised that the event takes place each December in Monument Square and is a huge economic driver. The board had a general discussion about the benefits of the Victorian Stroll.

**Hon. John Donohue made a motion to approve the sponsorship to the 2016 Victorian Stroll in the amount of \$5,000.
Steven Strichman seconded the motion, motion carried.**

VI. 2265 5th Avenue

Ms. Kurzejeski advised that 2265 5th Ave was given to the Troy LDC as a donation about a year ago and there are some maintenance issues that had to be addressed. We solicited bids from three different companies and received a reasonable bid from Lewis Lawn Care Services.

**Andy Ross made a motion to accept the contract with Lewis Lawn Care to maintain 2265 5th Avenue for the remainder of the 2016 season.
Hon. John Donohue seconded the motion, motion carried.**

VII. Financials

Jim Lozano discussed the balance sheet with the board members. He advised there is about \$4.1 Million in assets versus \$1.6 Million in liabilities leaving equity in the amount of \$2.5 Million as of the end of July. He noted changes to accounts receivable; the Quackenbush loan was paid off and there was one new loan to Ekologic in the amount of \$10,000. Mr. Lozano also explained that \$15,000 in new façade grants were issued. Mr. Lozano advised that accounts shows negative because we paid the PILOTs early. The chairman asked about the loans to current asset ratio which seems to be nearing 55%. Mr. Lozano advised that it's hard to look at the ratio the same way as a bank. The bank would have different assets than the

LDC. He advised that we look at it in terms of how much we have in our cash account and how much we need for operating costs.

Mr. Lozano discussed the profit & loss sheet with the board members. He advised that there is currently a \$110,000 deficit for the month; year to date it is \$201,000. He advised that for the month, the deficit is driven by \$97,000 which was paid to Urban Strategies and the \$15,000 in new façade grants.

Mr. Lozano distributed the delinquency report that was created for the board members. He advised that the items on the report show any delinquent loans or PILOTs along with their late fees. The chairman asked that we add the loan balance and delinquency ratio. Ms. Flores advised that is possible for future meetings. Ms. Kurzejeski spoke about a meeting that took place with Rare Form and he came up with a payment plan to assist him in getting caught up. Ms. Kurzejeski advised she also met with 77 Congress Street (Troy Kitchen) and advised that they are working with him to come up with a plan to get caught up and continue repayment. The other loan on the report, Infinity Café, has defaulted and is currently in demand status.

The chairman noted to the board members that we accrue interest on all of the loans with the expectation of getting paid. When it's doubtful, interest is accruing, but can be written off. He asked that he would like to start writing off the interest once the accounts are over six months due. Andy Ross agreed on writing the charges off after six months. The board asked about the principal balance on Infinity Café's loan. Mr. Lozano advised it was about \$23,500. The chairman advised we should assess what we think we will collect from this loan and how much will be taken from the reserve account. Mr. Lozano advised that the three delinquent loans total about \$90,000 and the reserve is at \$65,000. He felt that the reserve amount is sufficient. He suggested that we deal with them in stages; first they will be set to non-accrual, then charge off a portion to establish the true loan loss. The chairman advised that the general purpose is to reduce the impact on our balance sheet when we encounter a bad loan. Ms. Kurzejeski noted that we have only had two other loans that went this route. Mr. Donohue noted that we must have learned something from dealing with them. The board advised yes and noted that if we are lending six figures we have to be diligent. Mr. Ross asked if there are legal fees that are set for collecting bad debt. Mr. Miller advised that is something they can discuss further.

Dep. Mayor Monica Kurzejeski made a motion to approve the financials as presented.

Mr. Donohue seconded the motion, motion carried.

VIII. Executive Session

The board entered executive session at 9:10 a.m. to discuss real estate matters and pending litigation.

Dep. Mayor Monica Kurzejeski made the motion to enter into executive session to discuss real estate matters and pending litigation.

Andy Ross seconded the motion, motion carried.

The board returned from executive session at 9:39 a.m. with no action taken.

IX. Executive Director

The board had a general discussion of the appointment of Steven Strichman as the Executive Director and agreed on a salary for his position in the amount of \$15,000.

**Andy Ross made a motion to approve the \$15,000 salary to the Executive Director, Steve Strichman.
Steven Strichman abstained from the vote.
Monica Kurzejeski seconded the motion, motion carried.**

X. New Business

Ms. Kurzejeski advised that there two new loans that may be coming to the board.

XI. Adjournment

With no other items to discuss, the meeting was adjourned at 9:42 a.m.

**Andy Ross made a motion to adjourn the meeting.
Hon. John Donohue seconded the motion, motion carried.**

AUTHORIZING RESOLUTION

(22-24 4th Street, LLC d/b/a Troy Innovation Garage – Loan)

A regular meeting of the Troy Local Development Corporation was convened on August 19, 2016, at 8:30 a.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 08/16 #1

RESOLUTION OF THE TROY LOCAL DEVELOPMENT CORPORATION AUTHORIZING (i) THE ISSUANCE OF A \$120,000 REAL ESTATE LOAN TO 22-24 4TH STREET, LLC WITH RESPECT TO A CERTAIN PROJECT (AS DEFINED HEREIN) AND (ii) THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, the Troy Local Development Corporation (the “Corporation”) is a duly-established, not-for-profit local development corporation of the State pursuant to Section 1411(h) of the Not-for-Profit Corporation Law (“N-PCL”) and a Certificate of Reincorporation filed on April 5, 2010 (the “Certificate”) established for the charitable and public purposes of 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, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, 22-24 4th Street, LLC, d/b/a Troy Innovation Garage has applied to the Corporation for a \$120,000 Loan (the “Loan”) in connection with a certain project (the “Project”) consisting of façade improvements at 22-24 4th Street, Troy, New York and certain soft costs authorized by TLDC; and

WHEREAS, the Corporation desires to authorize the issuance of the Loan, the terms of which have been presented at this meeting, and approve the execution and delivery of a Loan Agreement (“Agreement”), along with related documents, to memorialize the terms and conditions by which the Loan shall be extended by the Corporation, including the repayment thereof and security therefore.

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

Section 1. The Corporation hereby authorizes the provision of the Loan to the Company in furtherance of the Project. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Corporation are hereby authorized, on behalf of the Corporation, to execute and deliver a Loan Agreement, along with related documents and modification agreements (collectively, the “Loan Documents”), in such form as prepared and approved by

counsel to the Corporation and as approved by the Chairman, Vice Chairman and/or the Chief Executive Officer.

Section 2. The Secretary or Assistant Secretary of the Corporation are hereby authorized, where appropriate, to affix the seal of the Corporation to the Loan Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Chief Executive Officer of the Corporation shall approve, and the execution thereof by the Chairman, Vice Chairman and/or Chief Executive Officer of the Corporation 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 checks, 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.

Section 4. These Resolutions 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:

	<i>Yea</i>	<i>Nea</i>	<i>Absent</i>	<i>Abstain</i>
Kevin O'Bryan	[X]	[]	[]	[]
Monica Kurzejeski	[X]	[]	[]	[]
Steven Strichman	[X]	[]	[]	[]
Andrew Ross	[X]	[]	[]	[]
John Donohue	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF RENSSELAER) ss.:

I, the undersigned 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 August 19, 2016 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 19TH day of August, 2016.


Secretary

[SEAL]