



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

**September 12, 2014
8:30 a.m.**

BOARD MEMBERS PRESENT: Kevin O'Bryan, Bill Dunne, Dep. Mayor Pete Ryan and Hon. Ken Zalewski

ABSENT: Andy Ross

ALSO IN ATTENDANCE: Kathleen Tesnakis, Ken Crowe, Tom Rossi, Sharon Martin, Laban Coblentz, Justin Miller Esq., Monica Kurzejeski, Selena Skiba, and Denee Zeigler

Minutes

Bill Dunne introduces Kevin O'Bryan to the board members. Mr. O'Bryan was appointed by the Mayor as the Chairman for this board.

**Bill Dunne made a motion to approve the appointment of Kevin O'Bryan as the Chairman of the Troy LDC.
Dep. Mayor Pete Ryan seconded the motion, motion carried.**

The Chairman advised the minutes will be reviewed at the end of the meeting.

I. Consultant Proposals

Mr. Dunne spoke about the consultant proposals received back. He suggested they wait until next month to discuss in order for the new Chairman has time to review. The consultants are aware of the date change.

II. Mt. Ida Grant Program

Mr. Dunne spoke to the board about the grant program started by the fraternity Phi Sigma Kappa to benefit the residents in the Mt. Ida neighborhood. They have approached the LDC for additional funding for the project. Mr. Dunne advised eight projects have received funding to date. Ken Zalewski spoke about the success of the project so far in that neighborhood. Mr. Dunne noted that the board had previously agreed that this was a good project to contribute to, but are waiting to hear back from RPI about their contributions.

III. Marvin Neitzel Building

Mr. Dunne spoke to the board about the current status of Vecino Group's project at 444 River Street. Mr. Dunne advised that they are in their second six month extension of the LDA. Vecino Group is exploring some additional

financing options to cover a gap created by additional renovation costs that have come up. Mr. Dunne advised that they have proposed to do something other than market rate in that building, but after conversations with them they will keep to their original plan. Mr. Dunne suggested we send out an RFP for someone to provide us with of year of maintenance. We need to hire someone that is able to deal with a large scale building. Last year we used Finelli construction to assist with transitioning tenants out of the building and winterizing the building. An RFP will be sent out to three local companies; Finelli Construction, Duncan and Cahill and Upstate Construction. Mr. Dunne asked if there were any other companies that the board felt should be added in. Mr. Zalewski asked if we would be responsible to paying for this. Justin Miller advised yes. We still own the building at this point. Vecino Group has an agreement with us with an option to buy, but there has been no closing yet. Mr. Miller advised that if there were other developers interested, we could change ownership in time for them to do the winter maintenance.

Mr. Zalewski asked if the project is definitely happening. Mr. Dunne advised that at this point they are still planning on moving forward but have come up with some other options that would create housing for lower AMI apartments. Mr. Dunne advised them that the board did not want to go that route. Mr. Miller explained that their other property on River Street moved along quicker due to additional credits they received for low housing. There have been other interested parties in 444 River Street that we haven't acted on due to the LDA, but it may be something we can explore if needed. It will be something that we will have to wait and see what happens. Mr. Miller explained that if someone new came into the picture it would take them another year before they would be ready to move forward. Mr. Zalewski asked if there are any other credits available besides low income tax credits that would help them close their funding gap. Mr. Dunne advised they have been looking for another investor. Mr. Dunne advised that we have a signed agreement with them until the end of this year that they don't want to abandon the work done so far. Once their other project is completed it may help them to secure some additional funding. Mr. Zalewski asked about the percentage of market rate for 444 River Street. Mr. Dunne advised the current agreement is for 100% market rate. The board had a general discussion on what would happen if they came to us with a different percentage of market rate buildings. Monica Kurzejeski added that we do need to be aware of the type of housing we make available and balance it with future projects in that area of the City.

**Hon. Ken Zalewski made a motion to approve sending out an RFP for a maintenance contract for 444 River Street.
Dep. Mayor Pete Ryan seconded the motion, motion carried.**

IV. Call Center

Monica Kurzejeski spoke to the board about a statewide RFP come through for a 30,000 square foot call center. Mrs. Kurzejeski advised that part of the RFP is creating job incentive package. Mrs. Kurzejeski asked the board to consider some options and incentives we may be able to offer. The chairman asked that the board do some brainstorming at the next meeting. Mrs. Kurzejeski advised that she will do that and mentioned that it is a national company that will create about 125 new jobs.

V. Ekologic BDAP Loan

Mrs. Kurzejeski introduced Kathleen Tesnakis to the board and explained that she has been in Troy for about 11 years. She operates her business as a zero waste company and currently has a store located on Fulton Street in Troy. Mrs. Tesnakis handed out a packet to the board members and spoke about the background of her company. She advised that her company does many juried art shows all over the country to sustain her company. Last year was the first year she participated in The Grand Central Holiday Market. It is one of the biggest opportunities for any artist to showcase and sell their work. Mrs. Tesnakis went through the packet and spoke about her business projections from last year noting that they hit all of their numbers. Mrs. Tesnakis advised that she already has a portion of the \$15,000 application fee, but is asking for the \$10,000 funds to refresh and replenish her supplies. Mrs. Kurzejeski asked about the process of creating her designs. Mrs. Tesnakis advised that the products are old garments that are cleaned of any chemicals and re-collaged. Mrs. Tesnakis advised that she has been able to create a couple of jobs since opening up her store in Troy. They are happy to be able to work closer to home instead of commuting to NYC. Mrs. Tesnakis spoke about some of the recognition she has received and most recently was one of five artists featured in American Craft magazine. Ken Zalewski asked about the weekly payroll section of her report. Mrs. Tesnakis advised that she did increase the number of employees. She also noted that she has had a substantial increase in her rent since being in her new location and has had no problem with that. Mr. O'Bryan asked about her other investors. Mrs. Tesnakis spoke about her angel investors that she worked with last year when this opportunity was presented to her. Laban Coblentz spoke on behalf of her project and the work they did last year to raise the funds in such a short amount of time. Mr. Rayn asked about any other plans for further expansion or other reclaimable products that she can work with besides cashmere. Mrs. Tesnakis advised there are other avenues she is exploring. She is very well known for her cashmere and that is important for her to continue with. She has explained that she is expanding the website to include a function where people can purchase directly online. If profitably increases, other areas may open up.

Hon. Ken Zalewski made a motion to approve the BDAP loan in the amount of \$10,000 for Elologik, Inc.

Dep. Mayor Pete Ryan seconded the motion, motion carried.

VI. Tom Rossi 50/50 Façade Grant

Mrs. Kurzejeski introduced Tom Rossi's project to the board. She advised that he recently finished renovating Nelick's on River Street. He is applying for a façade improvement grant for 147 4th Street which was on the agenda a few months ago but has some historic district approvals to get before he could move forward with the project. Tom Rossi spoke to the board about his project and explained some of the updates that will be taking place after meeting with the historic committee. Mr. Rossi passed around a drawing of what the storefront will look like. Mr. Dunne spoke about some of process that they have gone through with the historic review committee. Mr. Zalewski asked if he was looking for \$5,000. Mrs. Kurzejeski advised yes he is applying for our façade improvement grant. Mr. Rossi also spoke briefly about all of the work done on the inside.

Dep. Mayor Pete Ryan made the motion to approve the 50/50 Façade Improvement grant for Tom Rossi in the amount of \$5,000.

Hon. Ken Zalewski seconded the motion, motion carried.

VII. MKC Kitchens

Monica Kurzejeski spoke to the board members about the application for MKC Kitchens at 346 Congress Street. She noted that there are several facades being fixed up in this area. It is a great example of what happens when the City replaces the infrastructure then the tenants start fixing up the exteriors. Mrs. Kurzejeski spoke to the board about the company and explained that they are looking to replace and repair the façade of their building. Mr. Ryan also praised the transformation that happened on Congress Street. Mrs. Kurzejeski also noted that a transformation is starting to take place on the residential side of the street. The chairman asked about the project in the old Thorny's. Mrs. Kurzejeski spoke about the businesses that will be going into that location. Mr. Dunne noted that this company has been a Troy business for many years.

Hon. Ken Zalewski made a motion to approve the 50/50 Façade Improvement grant for MKC Kitchens at 346 Congress Street.

Dep. Mayor Pete Ryan seconded the motion, motion carried.

VIII. Utility Vehicle

Mr. Dunne advised this item will have to wait for next month's meeting.

IX. Laban Coblentz and Center of Gravity

Laban Coblentz gave an update to the board members on the current services he is providing to the LDC. He focused on the three main areas of his contract; the renovation of the Quackenbush building, compilation of shared business services and Fundraising. He spoke about their plan to essentially make Troy a small business incubator City that any small business can utilize in Troy and it will make scalable as the company grows. Mr. Coblentz advised that the work on the Quackenbush building is underway and has been a lot harder than expected. The staircase will be kept intact and the space will not be fully rentable until December. Mr. Coblentz advised that he is not quite happy with the sales and marketing aspect but will be working on a couple of additional leads. Mr. Coblentz explained he would like to bring in a company that will help represent artists and the business aspect of it. He advised the partnership with HVCC and Start Up NY is also moving forward. Mrs. Kurzejeski added that downtown Troy will become a Start Up NY area and reach across to Green Island/Watervliet with the addition of EOC. Mr. Coblentz noted that there are so many positive influences that it's hard to say which one has been the best. There are many groups and organizations in Troy and the surrounding areas that want to be a part of the Center of Gravity in some way. There are enormous opportunities that we are not able to capitalize on yet, such as the area of education. Fundraising is moving along. New sidewalks are needed in front of the building. We would like to set up a fundraiser to buy squares around the building. Other cities are looking to replicate what we have done in Troy. Mr. Coblentz advised a study the creative economy study of capital region will have a significant impact of the Capital Region. Mr. Ryan inquired if he was referring to the Auburn Study. Mr. Coblentz advised yes. The creative sector is #2 on the list, Medical is #1. They are trying to characterize what is unique about a region. Our area was characterized by the way technology and the arts come together. Mr. Coblentz has had conversations with people that have noticed

for the first time, people want to come to this area. He advised that we need to market ourselves better. Mr. Coblenz gave a brief summary of some other projects in the works with Center of Gravity.

X. Financials

Selena Skiba spoke about the current financials. They are looking into insurance for the directors. Currently, they are under the City but will look into adding the board members on as a rider.

Mrs. Skiba noted a change to the operating statement format that now shows a comparison of previous years. No other noteworthy changes. Mrs. Skiba explained the professional services listed for the King Fuels site. Net income hasn't changed much. Grants are highlighted in yellow are approved and waiting for paperwork for reimbursement. Mrs. Skiba advised the last page is the accounts receivable section that indicates current loans. Details were added in the notes section to indicate if they have paid since the end of the previous month.

XI. Executive Session

Bill Dunne made a motion to enter into executive session to discuss pending litigation.

Hon. Ken Zalewski seconded the motion, motion carried.

Bill Dunne made a motion to adjourn executive session.

Hon. Ken Zalewski seconded the motion, motion carried.

The board returned from executive session with no action taken.

XII. Minutes

The board reviewed the minutes from the August 8, 2014 board meeting with no changes or updates needed.

Hon. Ken Zalewski made a motion to accept the minutes from the August 8, 2014 board meeting.

Bill Dunne seconded the motion, motion carried.

XIII. Adjournment

The meeting was adjourned at 10:00 a.m.

Hon. Ken Zalewski made a motion to adjourn the meeting.

Bill Dunne seconded the motion, motion carried.