



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

**October 14, 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, Vic Christopher, Heather LaVine, Mark Stevens, Deanne DalPos and Denee Zeigler

Minutes

The Chairman called the meeting to order at 8:40 a.m.

I. Minutes

The board reviewed the minutes from the September 23, 2016 board meeting.

Dep. Mayor Monica Kurzejeski made a motion to approve the September 23, 2016 board meeting minutes.

Andy Ross seconded the motion, motion carried.

II. Authorizing Resolution 309 3rd Ave.- BSM Banquets, Inc.

Mr. Strichman explained that the loan term sheet has been signed and this is the final approval needed. The board members had no questions. (See attached Resolution 10/16 #1)

Andy Ross made a motion to approve the BDAP loan to BSM Banquets, Inc. in the amount of \$150,000 for renovation of the banquet facility at 309 3rd Avenue.

Dep. Mayor Monica Kurzejeski seconded the motion, motion carried.

III. Authorizing Resolution 1 14th Street – Clark House LLC d/b/a Donna’s

Mr. Strichman explained that the loan term sheet has been signed and this is the final approval needed. The board members had no questions. (See attached Resolution 10/16 #2)

Steve Strichman made a motion to approve the BDAP loan to Clark House, LLC d/b/a Donna's in the amount of \$59,500 for renovation of 1 14th Street.

Andy Ross seconded the motion, motion carried.

IV. BDAP Loan – Heidi Knoblauch, Plumb Oyster Bar

Mr. Strichman spoke about the application in front of them for a \$50,000 loan to renovate 15 Second Street into the Plumb Oyster Bar. He advised Heidi Knoblauch is the applicant. He advised that he is going to reach out to the applicant and suggest a loan in the amount of \$20,000 and second position on the mortgage of applicants home. The board had a general discussion on the project and setting up securities for the loan. Mr. Ross asked about the applicant's past experiences in the restaurant business. Mr. Strichman advised that she has some past experience in the restaurant business, but not as an owner. The chairman noted the businesses in the surrounding area that are being improved. The chairman advised that based on the information that we received, the adjusted loan amount of \$20,000 is reasonable. Mr. Miller asked if changing the loan amount will affect her business plan. Mr. Strichman advised that he has spoken with the applicant about that possibility. He added that the building owner is her mother. Ms. Kurzejeski noted that there was recently an article in the paper about her project. Mr. Miller asked what the loan funds would be used for. Mr. Strichman noted that the loan would be used to renovate the building. The board agreed that if the improvements will be beneficial to the building owner as well, maybe there is a way to have her listed as a signer on the loan.

Andy Ross made a motion to approve Heidi Knoblauch's BDAP loan application for \$20,000 to be used to renovate 15 Second Street as The Plumb Oyster Bar.

Dep. Mayor Monica Kurzejeski seconded the motion, motion carried.

V. Proposed 2017 Budget

Mr. Strichman went over the proposed budget with the board members and advised that there are notes in the margins to explain some items. He noted that the first column shows the estimate of expenses for this year. It includes professional service contracts, legal support and includes the Executive Director position. He advised that the other items noted include taxes and PILOTs for LDC properties, façade and other community grants. Mr. Strichman advised that he extrapolated the information out for the next few years and only included \$20,000 for grants. Mr. Strichman added that info was added at the top of each column, the estimated cash position is listed. He added that an item was added to show potential incoming fees received from the IDA for work done finding projects that receive benefits from the IDA. The board asked about one of the items listed as potential incoming cash and commitments that will be using up that cash. Mr. Strichman advised that it takes into account the most recent loans that were approved and waiting to be paid out. Mr. Miller asked about the amount listed for PILOT payments. Ms. Flores advised that they are noted under expenses. In the event that we do not get the payment from the tenants, we are liable. Ms. Kurzejeski asked if the income from the tenants is realized above. Ms. Flores advised yes. Mr. Miller asked if we have a line for interest. Mr. Strichman advised yes; it is included in with line one. The chairman thanked Mr. Strichman for including foot notes on the budget, it creates a clear picture. Ms. Kurzejeski asked about the income from the IDA for projects. The

board had a general discussion about the potential benefits and challenges that would come up as a result of this. Mr. Lozano asked for more detail on the potential fee sharing between the IDA and LDC. Mr. Miller explained that if the LDC brings a project to the IDA, there may be a way to set up an agreement that fees can be shared between the two entities. The board thanked Mr. Strichman for the budget presentation.

Dep. Mayor Monica Kurzejeski made a motion to approve the 2017 budget as presented.

Andy Ross seconded the motion, motion carried.

VI. Executive Director Agreement

Mr. Miller advised that this is a matter of process and order; Mr. Strichman needs to recuse and abstain from the discussion. An agreement for the Executive Director's position has been drafted. The board had a general discussion on the details of the agreement. Mr. Ross asked about a portion of the agreement that talks about the workload and terms listed in the agreement. Mr. Miller advised that during previous discussions, a yearly amount of \$15,000 was discussed for the executive director's services but noted that the month to month workload may vary. He will still be able to bill a flat amount each month, but it will have a limit of \$15,000. Mr. Miller added that a monthly executive director's report will be submitted along with an invoice. The start date for the agreement will go back to August 19th, so the first payment will be slightly different than the rest. Mr. Donohue asked where the agreement originated from. Mr. Miller advised the agreement was used with one of the other IDA's that they work with. The chairman clarified that as long as there is a quorum, the vote can take place with Mr. Strichman abstaining. Mr. Miller advised yes.

Andy Ross made a motion to approve the executive director's agreement for \$15,000 beginning on August 19, 2016.

Dep. Mayor Monica Kurzejeski seconded the motion.

Steve Strichman abstained.

John Donohue abstained.

With three votes yes, the motion carried.

VII. Financials

Ms. Flores went over the balance sheet with the board members noting \$4.1 million in assets versus \$1.6 in liabilities leaving the equity at \$2.5 million. The only notable change this month was the loan made to Troy Innovation Garage for \$120,000 which brought the cash balance down and the loans up.

Ms. Flores advised that there is a loss of about \$37,000 for the month and \$224,000 for the year. She noted a loss of \$37,000 for the month and \$224,000 loss for the year. She advised that several façade grants were paid out, a grant was given to the Victorian Stroll and funds paid out for the speaker at the small business summit. Mr. Donohue asked about previous year's numbers. The chairman noted that we try to show a previous year comparison on the report; however, it is very hard to get a clear picture from year to year because it is so dynamic.

VIII. Delinquent Loan Report

Ms. Flores advised there is a copy of the delinquency report for each of the members to review. Mr. Strichman explained that he has been working with 77 Congress Street, LLC to try and take care of some building department issues. He advised that resolving the sprinkler issues was a priority to keep him in business so he can continue to pay the loan. Mr. Ross asked about the current status of the sprinkler situation. Ms. Kurzejeski noted that he has a sprinkler on the main floor, but not one in the basement. Mr. Strichman explained that the contractors are coming up with a plan to do the work over the next few weeks. Mr. Ross asked if there was an alternative plan that could be put in place. Ms. Kurzejeski advised that due to the occupancy, a sprinkler system is required in the basement as well as the first floor. The board discussed the possibility of showing the interest accrual as a loss; noting that we are not a bank. Mr. Lozano agreed that we are not a bank, so it makes it hard for us to track if it is written off. He advised that we will present to the board at some point in the future to see if the interest that has been accrued to date should be moved to a different line.

Mr. Strichman advised that no payment was received from Rare Form, but we are reaching out to him to make sure he stays on track.

Mr. Strichman advised that he has had conversations with Infinity Café about working out a payment restructure for his loan. He advised that the husband has come forward to discuss, not the applicant. Mr. Miller advised that when we restructure we can ask for a guarantor. He added that Francine Vero, from his office, will be working on this loan and suggested getting a professional judgement in place so that if the restructuring is disrupted, we would be able to enforce.

The chairman noted that despite some issues we have had with a handful of loans, our number of loans and delinquencies are looking good. He added that CFO for Hire has done a great job presenting a clear picture of the LDC's financials to us each month.

IX. New Business

The chairman advised he would like to add the Executive Director report to the agenda each month to give us an update of projects to come and status of projects that are ongoing.

Mr. Ross advised the board that Adventure in Food is looking for their own space; about 15,000 sf of space. Ms. Kurzejeski advised that she will put him in contact with Cheryl Kennedy, the economic development coordinator.

Mr. Donohue asked to discuss if a change in the meeting time would make the meetings more accessible. He noted that he hasn't heard anything specifically from the council members, but wanted to present the question to this board. The chairman advised that he has discussed this topic with the council members on the IDA board and they have not had any feedback on the issue. He noted that both morning and night meetings appear to be equally inconvenient. Mr. Ross advised that he prefers to do business during business hours. The chairman has not heard anything regarding an issue with the meeting times; the issue that is usually brought to his attention is regarding the need of business to be done outside the central business district. Mr. Miller noted that LDC meeting times vary throughout the state. Ms. Kurzejeski noted that the issue may have been the overall commotion between all of

the different committees and commissions that touch a project. She cited the Hudson Valley project as an example and advised that some of the questions that were raised to our board would have been better addressed at a planning or zoning meeting. The board agreed and noted that changing our meeting times will not have a great effect on the outcome of the projects we review. The chairman added that when there are façade grants on the agenda, we have a full meeting room. Mr. Donohue noted that it may be an issue of educating the public on what each board does; this meeting is more of a business meeting. Ms. Kurzejeski noted that the economic development coordinator can work to notify and educate the public via social media rather than just with public notices in the paper. The Board agreed that there was no compelling reason to change the meeting time.

With no other items 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.

AUTHORIZING RESOLUTION
(BSM Banquets, Inc. – Loan Agreement)

A regular meeting of the Troy Local Development Corporation was convened on October 14, 2016, at 8:30 a.m.

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

Resolution No. 10/16 #1

RESOLUTION OF THE TROY LOCAL DEVELOPMENT CORPORATION
AUTHORIZING (i) THE ISSUANCE OF A \$150,000.00 LOAN TO BSM
BANQUETS, INC. 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, **BSM BANQUETS, INC.** (the “Company”), has requested assistance from the Corporation in connection with a certain project (the “Project”) consisting of the use of working capital to acquire materials, equipment and services necessary for the renovation of the interior and exterior of 309 3rd Avenue, Troy, New York to be used as banquet and event space and to serve as the headquarters for a catering business; and

WHEREAS, in furtherance of the Project, the Company has requested financing from the Corporation in the form of a \$150,000.00 Loan (the “Loan”) to assist the Company to undertake the Project; 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 (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]	[]	[]	[]
Andrew Ross	[X]	[]	[]	[]
Monica Kurzejeski	[X]	[]	[]	[]
Steven Strichman	[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 October 14, 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 14th day of October, 2016.


Secretary

[SEAL]

AUTHORIZING RESOLUTION
(Clark House, LLC – Loan Agreement)

A regular meeting of the Troy Local Development Corporation was convened on October 14, 2016, at 8:30 a.m.

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

Resolution No. 10/16 #2

RESOLUTION OF THE TROY LOCAL DEVELOPMENT CORPORATION
AUTHORIZING (i) THE ISSUANCE OF A \$59,500.00 LOAN TO CLARK
HOUSE, 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, **CLARK HOUSE, LLC** (the “Company”), has requested assistance from the Corporation in connection with a certain project (the “Project”) consisting of the use of working capital to acquire materials, equipment and services necessary for the equipping of 1 14th Street, Troy, New York to be used as a family style Italian restaurant; and

WHEREAS, in furtherance of the Project, the Company has requested financing from the Corporation in the form of a \$59,500.00 Loan (the “Loan”) to assist the Company to undertake the Project; 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 (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]	[]	[]	[]
Andrew Ross	[X]	[]	[]	[]
Monica Kurzejeski	[X]	[]	[]	[]
Steven Strichman	[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 October 14, 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 14TH day of October, 2016.


Secretary

[SEAL]