

# City of Troy

## Industrial Development Authority

December 12, 2014

10:30 AM

Meeting Minutes

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

**Absent:** Lisa Kyer

**Also in attendance:** Justin Miller, Monica Kurzejeski, Jennica Petrik-Huff, Jeanette Nicholson, Selena Skiba and Denee Zeigler

The Chairman called the meeting to order at 10:30 a.m.

I. Minutes from the November 14, 2014 board meeting

The chairman suggested the board take some additional time to review the section of minutes regarding the allocation of funds to the City for \$150,000 for staff expenses.

**Hon. Dean Bodnar made a motion to approve the minutes for November 14, 2014.**

**Paul Carroll seconded the motion, motion carried.**

II. New application for Vecino Group

Bill Dunne advised that there is not a new application at this time for Vecino Group's project at 444 River Street. Mr. Dunne advised that the project will still be moving forward with some possible changes. They will submit an application after speaking with the current owners of the building, the TLDC.

**Paul Carroll made a motion to table the new application from Vecino Group.**

**Mary O'Neil seconded the motion, motion carried.**

III. Initial Project Resolution - Omni Development MLK Revitalization

Mr. Dunne spoke about the initial project resolution in front of them from Omni Development for the revitalization project at the Martin Luther King Apartments. Mr. Dunne advised that this resolution is to move forward with their project and that we will continue discussions with them to come up with a benefit package. There is not a PILOT set up at this point.

Mary O'Neil asked if, for future PILOTs, they could be set up to be easy to calculate. She added that the school district needs that information to calculate their tax cap and sometimes it can be difficult to budget for the next year. Mr. Dunne advised they are looking into a per unit model. Mr. Miller advised that most of them are set up this way, however, there may be one that is based on

rent. The chairman pointed out that they did an extensive presentation previously to the board. (See attached Initial Project Resolution 12/14 #1)

**Hon. Bob Doherty made a motion to approve the initial project resolution for Omni Housing Development – Martin Luther King LLC AND MLK TROY ASSOCIATES L.P. project.  
Paul Carroll seconded the motion, motion carried.**

IV. Community Builders, 599 River Street

Mr. Dunne introduced Jennica Patrik-Huff to the board to talk about the Tapestry on the Hudson project at 599 River Street being done by Community Builders. Jennica Patrik-Huff advised that they are proposing 67 units of mixed income-family units; 7 market rate, 14 at 90% AMI and 18 at 60% AMI. The balance will be at 50% AMI or below. There will be a work out facility, community room an outdoor recreation area. Mr. Dunne asked if the application was submitted to Department of Home and Community Renewal for housing tax credits. Ms. Patrik-Huff advised yes both state and federal as well as historic tax credits. Mr. Dunne advised that this building was recently added to the SHPO's list of historic textile buildings. Mr. Dunne explained that TAP received a grant from the TLDC last year to assist them with an application to SHPO to have approximately five former textile buildings added to the national register, making them eligible for historic tax credits. Mr. Dunne asked if they are going to wait for the results of the application before the project moves forward. Ms. Patrik-Huff advised yes and they will know the results of the application in May/June. Mr. Dunne asked if they are going through the planning/zoning process. Ms. Patrik-Huff advised they have been in front of the planning commission and will be going back in January. The chairman asked about the number of units and Mr. Bouchey asked about the total project cost. Ms. Patrik-Huff advised \$22 Million and 67 units. Mr. Bouchey asked if there were any plans for retail space. Ms. Patrik-Huff advised no plans for retail. Mr. Bouchey asked if they owned the parking lot. Ms. Patrik-Huff advised they own the parking lot around the building and has had conversations with their neighbor to possibly share the larger parking lot. Mr. Bouchey asked about rent amounts. Ms. Patrik-Huff explained 1-2 bedrooms and will be a range of \$700-\$800 for 1 bedroom and \$900-\$1055 for 2 bedroom. The board noted that is a good price for apartments overlooking the river. The chairman also noted there is still diligence to go on with this project, they are not done yet. Mr. Miller advised we will work to set up a PILOT agreement to coincide with the determination of the application to DHCR. Bob Doherty spoke about the success at their project at Monument Square Apartments and the treatment of the tenants. Ms. Patrik-Huff thanked the board and spoke a little about their previous project. Mr. Doherty asked about the housing tax credits and if they can be purchased by the public. Ms. Patrik-Huff explained that they are a not for profit organization that uses public or private syndication to help with the development of the units. For this project, they have a letter of interest for private syndication. The chairman clarified that the syndication becomes part of the capital structure for the project. (See attached Initial Project Resolution 12/14 #2)

**Hon. Dean Bodnar made the motion to approve the initial project resolution for 599 River Street Limited Partnership –Tapestry on the Hudson Project.**

**Paul Carroll seconded the motion, motion carried.**

V. Financials

Selena Skiba went over the balance sheet with the board and noted that they will go over the accounts receivable in more detail on the last page. Mrs. Skiba noted a large amount to be paid out of accounts payable for the Riverfront Park Access project and two PILOT payments due to the City. Mrs. Skiba noted that the fees are about the same as last year. There is not much of a change in expenses. Legal fees are slightly higher than last year. Architectural and Engineering fees are higher this year due to the Riverfront Park Access project. The chairman asked how we calculate the allowance for doubtful accounts. Mrs. Skiba explained that it is based on a percentage of accounts that are expected to go bad based on payment history. Mrs. Skiba advised that there is still an issue with IBT. Mr. Miller advised that a letter was received that a partial payment was received. Mrs. Skiba advised they sent a payment for their loan for the City, not the IDA. Mr. Miller asked if they board wants to go through the default process with them. Mr. Bodnar noted they are four months behind with the IDA loan and we have a personal guarantee. He asked if we send a default letter is that for the past due amount or the full amount. Mr. Miller advised that it would be to bring the account current.

**Steve Bouchey made a motion to approve financials.  
Paul Carroll seconded the motion, motion carried.**

VI. Executive Session

Mr. Dunne advised there are pending litigation and real estate items relating to the Ingalls Ave project that items that need to be discussed.

**Paul Carroll made a motion to move to executive session in order to discuss pending litigation.  
Steve Bouchey seconded the motion, motion carried.**

**Hon. made a motion to adjourn executive session with no action taken.  
Paul Carroll seconded the motion, motion carried.**

VII. Adjournment

The IDA portion of the meeting was adjourned at 10:58 p.m.

**Steve Bouchey made the motion to adjourn the IDA portion of the meeting.  
Paul Carroll seconded the motion, motion carried.**

## INITIAL PROJECT RESOLUTION

*(MLK Troy Associates L.P. –Martin Luther King Apartments Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on December 12, 2014, at 10:30 a.m., local time, at 433 River Street, 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	
Mary O’Neill	X	
Lisa Kyer		X
Tina Urzan	X	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Monica Kurzejeski, Jennica Petrik-Huff, Jeanette Nicholson, Selena Skiba 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 and take action on certain matters pertaining to a proposed project for the benefit of MLK Troy Associates L.P..

On motion duly made by Hon. Robert Doherty and seconded by Paul Carroll, 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			
Mary O’Neill	X			
Lisa Kyer				X
Tina Urzan	X			

Resolution No. 12/14 #1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF OHD-MLK LLC AND MLK TROY ASSOCIATES L.P. (COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

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, **OHD-MLK LLC AND MLK TROY ASSOCIATES L.P.** (collectively, the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a sub-leasehold or other interest in a certain parcel of real property owned by the Troy Housing Authority and located on Eddys Lane, Troy, New York 12180 (the "Land", being comprised of all or portions of TMID No. 90.55-7-1) and the existing improvements located thereon, including various building structures and related improvements located thereon that contain 124 rental apartment units and related amenities (the "Existing Improvements"); (B) the demolition, renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to provide for approximately 83 residential apartment units, that, in accordance with the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations promulgated by the United States Department of Housing and Urban Development ("HUD") and New York State Housing Finance Agency ("HFA") and/or Division of Housing and Community Renewal ("DHCR"), will be leased to households satisfying applicable median gross income restrictions, along with renovations to building structure, common areas, kitchen areas, laundry areas, heating systems, plumbing, roofs, elevators, windows, and other onsite and offsite parking, curbage and infrastructure improvements (collectively, the "Improvements"); (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back to the Company; and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

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

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed Financial Assistance being contemplated by the Authority includes an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, pursuant to which the Company leases the Land and Existing Improvements to the Authority, (B) a related Leaseback Agreement, pursuant to

which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the PILOT Agreement are consistent with the Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 5. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK )  
COUNTY OF RENSSELAER )

I, Denee Zeigler, the undersigned, 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 December 12, 2014, 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 12<sup>th</sup> day of December, 2014.

Denee Zeigler

(SEAL)



## INITIAL PROJECT RESOLUTION

*(599 River Street Limited Partnership –Tapestry on the Hudson Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on December 12, 2014, at 10:30 a.m., local time, at 433 River Street, 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	
Mary O’Neill	X	
Lisa Kyer		X
Tina Urzan	X	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Monica Kurzejeski, Jennica Petrik-Huff, Jeanette Nicholson, Selena Skiba 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 and take action on certain matters pertaining to a proposed project for the benefit of 599 River Street Limited Partnership.

On motion duly made by Hon. Dean Bodnar and seconded by Paul Carroll, 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			
Mary O’Neill	X			
Lisa Kyer				X
Tina Urzan	X			

Resolution No. 12/14 #2

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF 599 RIVER STREET LIMITED PARTNERSHIP (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

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, **599 RIVER STREET LIMITED PARTNERSHIP** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold or other interest in a certain parcel of real property located at 599 River Street, Troy, New York 12180 (the "Land", being comprised of approximately .76 of an acre of real property and identified as TMID No. 101.22-1-4) and the existing improvements located thereon, including the 7-story commercial structure and related improvements located thereon (the "Existing Improvements"); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to provide for Sixty-Seven (67) residential apartment units, comprised of Thirty Four (34) one-bedroom apartment units, and Thirty Three (33) two-bedroom apartment units, approximately 90% of which that, in accordance with the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations promulgated by the United States Department of Housing and Urban Development ("HUD") and New York State Housing Finance Agency ("HFA") and/or Division of Housing and Community Renewal ("DHCR"), will be leased to households satisfying applicable median gross income restrictions, along with renovations to building structure, common areas, kitchen areas, laundry areas, heating systems, plumbing, roofs, elevators, windows, and other onsite and offsite parking, curbage and infrastructure improvements (collectively, the "Improvements"); (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back to the Company; and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

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

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed Financial Assistance being contemplated by the Authority includes (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice

and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, pursuant to which the Company leases the Land and Existing Improvements to the Authority, (B) a related Leaseback Agreement, pursuant to which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the PILOT Agreement are consistent with the Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 5. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK )  
COUNTY OF RENSSELAER )

I, Denee Zeigler, the undersigned, 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 December 12, 2014, 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 12<sup>th</sup> day of December, 2014.

Denee Zeigler

(SEAL)