



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

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

BOARD MEMBERS PRESENT: Kevin O’Bryan, Bill Dunne, Andy Ross and Hon. Ken Zalewski

ABSENT: Dep. Mayor Pete Ryan

ALSO IN ATTENDANCE: Justin Miller, Monica Kurzejeski, Rick Manzardo, Selena Skiba, Matthew Dame and Denee Zeigler

Minutes

Kevin O’Bryan called the meeting to order at 8:30 a.m.

I. Minutes

The board reviewed the minutes from the November 14, 2014 meetings.

Bill Dunne made a motion to approve the minutes from the November 14, 2014.

Hon. Ken Zalewski seconded the motion, motion carried.

II. Land Bank Contribution

Economic Development Coordinator Monica Kurzejeski advised that the Troy Community Land Bank was approved in July and she would like to formally request the \$50,000 pledge that the board approved in the Spring. Mrs. Kurzejeski advised that the land bank was approved and awarded \$1.25 million to start she is the interim acting Executive Director. The Land Bank would like to start in the North Central neighborhood between Ingalls Ave and Dow Street where they will be renovate two properties, stabilize several others and assist the City with demolition projects.

Mr. Dunne asked about the area that they plan on working and noted that there are areas on Dow Street, West of River Street that are not dense enough to sustain residents. Mrs. Kurzejeski spoke about the two properties on Dow that they would like to pick up in order to maintain. Maintenance costs have been built in to the operating costs. The Chairman clarified that the Land Bank will be assembling, not presuming a use for the properties. Mrs. Kurzejeski agreed and noted that the Land Bank board will be putting together a strategic plan that will work with Urban Strategies and the comprehensive plan. The Chairman hoped that they will take note of the uses that have not worked in some of the areas and hoped that the developers and private sector will determine the use. Mrs. Kurzejeski noted

that the Land Bank is created to work hand in hand with the City. For the first round, they started with the City owned foreclosures and will work in the future with the banks and private residents. Ken Zalewski asked about the number of City owned foreclosed properties. Mrs. Kurzejeski advised that the City owns about 100 of the 500 foreclosed properties. They are working with some of the banks to get their foreclosure lists. Mrs. Kurzejeski noted they started in North Central because there were several large vacant structures with surrounding neighborhoods that needed attention. Mr. Zalewski asked if there was data about which areas had the most vacant/foreclosed properties. Mrs. Kurzejeski advised that the downtown has the highest followed by North Central. She noted that they are broken down by census tract. Mr. Zalewski was surprised that Downtown was at the top of the list. Mrs. Kurzejeski explained that even if the building is owned and there is not a tenant it may be on the vacant list. Mr. Dunne asked if we need a formal agreement. Mr. Miller advised we can have a grant agreement ready for next week.

Hon. Ken Zalewski made a motion to authorize a grant agreement and approve a \$50,000 contribution to the Troy Community Land Bank.

Andy Ross seconded the motion, motion carried.

III. LDA Extension for 444 River Street

Bill Dunne spoke to the board about the process of becoming owners of 444 River Street and the LDA in place with Vecino Group. Mr. Dunne advised that the end of the last extension is nearing and the board needs to decide on future action. Mr. Dunne advised that as proposed, the project would be 75 market rate apartments. The change being proposed is 57 market rate and 18 affordable up to 90% of the area median income.

Mr. Dunne advised that the application was not made to Department of Housing and Community Renewal in time. The board will need to discuss with Vecino Group if the project is still feasible in the next six months, options for purchasing it or if it should be put out to bid again. Rick Manzardo of Vecino Group spoke to the board about each option. Mr. Manzardo advised a six month timeframe is not feasible for them. Financially, it would not work. They would like to purchase the building in order to get this project done. He is familiar with the past history of the building being purchased and then not doing the work. Mr. Manzardo does not want this to happen. He has a great team of local companies in place that are familiar with the building but would not be able to re-apply to DHCR until next December with an award date of April 2016. The chairman asked about the cost of the project. Mr. Manzardo advised that it will be about \$20 Million. Mr. Dunne asked if it will be another year cycle if they do not get the tax credits. Mr. Manzardo advised yes. Mr. Miller advised it would be late fall 2016 for the closing. The chairman questioned if we put out again, will someone else run through the same time constraints. Mr. Manzardo advised if they were putting cash into it, they may not run into the same constraints. However, based on what is proposed, they have run through the numbers and found that someone new will face the same challenges.

Hon. Ken Zalewski made a motion to move to executive session to discuss real estate matters.

Andy Ross seconded the motion, motion carried.

Andy Ross made a motion to adjourn executive session.

Hon. Ken Zalewski seconded the motion, motion carried.

The board returned from executive session at 9:25 with no action taken. The board had a general discussion and agreed to table item number two in order to discuss negotiations.

Andy Ross made a motion to table the LDA extension for 444 River Street.

Hon. Ken Zalewski seconded the motion, motion carried.

IV. Quackenbush Properties, LLC

The board spoke about the term sheet and amortization schedule for Quackenbush Properties, LLC. Mr. Dunne advised that the loan is set up with a four year term and a balloon payment after two years. Mr. Dunne advised that originally they were talking about setting up a bridge loan that would be repaid with the CFA funds. The chairman advised that this is a very good deal for the LDC as well as the business owner. Mr. Miller asked about the amount listed in our yearly budget for loans. Mrs. Skiba advised that we will go over with the financials. The board discussed the benefits of this loan. Andy Ross asked about the closing and questioned the date on the amortization schedule. Mr. Miller advised that Mr. Bryce has some paperwork to do for the LLC before the closing can be scheduled.

Hon. Ken Zalewski made a motion to approve the term sheet and amortization schedule for Quackenbush Properties, LLC. Andy Ross seconded the motion, motion carried.

V. Infinity Cafe

Mr. Dunne introduced Matthew Dame, owner of Infinity Café to the board and advised that the board just received the application. They haven't had time to review it, but would like to hear about it today. Mr. Dame advised that he originally had a space in Lansingburgh that they quickly outgrew. They moved to 172 River Street about four months ago and have grown rapidly. They are looking to expand into the space next to them for parties and small events. It will be an additional 990 sq ft. Mr. Dame advised that they currently serve breakfast, lunch and dinner. A lot of times there is a 45 minute wait on the weekends. Mr. Dunne noted that they would be asking for kitchen equipment as collateral. Mr. Dame advised yes. Mr. Dunne asked about the amount and terms. Mr. Dame advised \$20,000 with a repayment period of 60 months. Mr. Ross asked about the business hours. Mr. Dame advised that they serve breakfast, lunch and dinner. On Wednesdays they have 'Old San Juan' night and because they are one of the only places that offer it, they are extremely busy. Mr. Dunne advised that the term sheet will be sent out to the board members for review. He advised Mr. Dame that the next meeting will be the second Friday of January.

VI. Financials

Mr. Dunne advised that a FOIL request was sent in for information on all LDC loans and legal fees that have been paid to date. The information was compiled and a response sent.

Mrs. Skiba went over the balance sheet and cash balances. She advised not much has changed with the fixed assets. Mrs. Skiba advised that there are

\$85,000 of approved loans that are waiting for paperwork in order to be paid out. The chairman asked to what degree are we self-insured. Mr. Dunne advised our self-insured retention is \$250,000. The chairman clarified that it shows on the financials as a pre-paid amount.

Mrs. Skiba advised that the budget amount for grants is over by about \$3,300. Mr. Dunne advised that we can make a motion to move additional funds into the budget for grants. The chairman asked if the land bank amount has already been accounted for. Mrs. Skiba advised that it has not been budgeted in for this year. She will double check and let the chairman know.

Mr. Zalewski asked what the restricted cash is that is listed on the balance sheet. Mrs. Skiba will look into and let the board know.

Bill Dunne made a motion to transfer \$53,306.86 from cash into the grants payable line.

Andy Ross seconded the motion, motion carried.

Mr. Dunne asked if Essence's interest and penalties should be written off because we have written off the loan. The chairman asked for background on the loan. Mr. Dunne advised the loan was written off about six months ago.

Mrs. Skiba advised that the consulting fees are higher this year due to the consulting fees for Laban Coblenz. Mrs. Skiba also pointed out the difference in grants payable for economic development \$116,000 are lower than other years. Mr. Miller advised that we should add in Massive Mesh and the contribution to the Troy Community Land Bank. Mrs. Skiba asked that all bills be submitted by January 15th.

Bill Dunne made a motion to accept the financials.

Andy Ross seconded the motion, motion carried.

VII. Executive Session

Mr. Miller advised that they had some pending litigation and real estate items to discuss in executive session.

Hon. Ken Zalewski made a motion to enter into executive session to discuss pending litigation.

Bill Dunne seconded the motion, motion carried.

Bill Dunne made a motion to adjourn executive session.

Andy Ross seconded the motion, motion carried.

The board returned from executive session with no action taken.

VIII. Mortgage for Portec site

The board had a general discussion on the mortgage that exists between the City and the LDC.

Bill Dunne made a motion to pay off the mortgage between the City and the LDC for the Portec site.

Andy Ross seconded the motion, motion carried.

IX. Adjournment

The chairman asked if there was any old or new business that needed to be discussed. With nothing else to discuss, the meeting was adjourned at 10:25 a.m.

**Hon. Ken Zalewski made a motion to adjourn the meeting.
Andy Ross seconded the motion, motion carried.**

AUTHORIZING RESOLUTION
(Quackenbush Properties, LLC – Loan Agreement)

A regular meeting of the Troy Local Development Corporation was convened on December 12, 2014, at 8:30 a.m.

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

Resolution No. 12/14 #1

RESOLUTION OF THE TROY LOCAL DEVELOPMENT CORPORATION AUTHORIZING (i) THE ISSUANCE OF A \$200,000 WORKING CAPITAL LOAN TO QUACKENBUSH PROPERTIES, 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, **QUACKENBUSH PROPERTIES, LLC** (the “Company”), has requested assistance from the Corporation with a certain project (the “Project”) consisting of the rehabilitation and development of a building structure located 30 3rd Street, Troy, New York (the “Existing Improvements”) to provide for a mixed-use commercial facility comprised of commercial and retail spaces, including the renovation, repair and equipping of components of the Existing Improvements, including façade, roof, windows, interior spaces, HVAC and related equipment and improvements (the “Improvements”, and collectively with the Existing Improvements, the “Facility”); and

WHEREAS, in furtherance of the Project, the Company has requested financing from the Corporation in the form of a \$200,000.00 Working Capital Loan (the “Loan”); 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]	[]	[]	[]
William Dunne	[X]	[]	[]	[]
Hon. Kenneth Zalewski	[X]	[]	[]	[]
Andrew Ross	[X]	[]	[]	[]
Peter Ryan	[]	[]	[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 December 12, 2014 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 12th day of December, 2014.


Secretary

[SEAL]