



## City of Schenectady Industrial Development Agency

Meeting Minutes — January 20, 2006

Agency Members: Anthony Ward, Joseph Allen, Joe Fava, and Doug Blacklock

Members Absent: Denise Brucker and Mayor Brian Stratton

Others: Connie Cahill and Eugene Devine (Agency Counsel), Jayme Lahut, Jim Callander, and Ray Gillen

Mr. Ward called the meeting to order at 8:05 a.m.

### **Approval of Minutes** — December 19, 2005 meeting

Mr. Allen moved acceptance of minutes December 19, 2005; Mr. Fava seconded the motion. The minutes were approved unanimously.

**Financial Report** — Jim Callander reviewed the year-end 2005 financial reports noting that the Agency's auditor may make adjustments. The Agency netted \$106,107 for the year (revenues less expenses), which exceeded budget forecasts. The balance sheet showed positive equity since Metroplex assumed management of the Agency in 2002. Following discussion, Mr. Blacklock made a motion to accept the Treasurer's Report; Mr. Allen seconded the motion. The motion was approved unanimously.

### **Projects** —

#### **1. 400 State Street Cinema / Office Building Project** — Resolution 89-06: Hold Public Hearing and Commence PILOT Deviation Process

Connie Cahill explained the purpose of the preliminary resolution was authorizing accepting public comment and holding a hearing about the financial assistance for the project, i.e. sales tax exemption, mortgage recording tax exemption and payment-in-lieu-of-tax. The Agency would also start the PILOT deviation process. The PILOT initially is structured on occupied square footage for the cinema and offices, but may be modified in a manner using Empire Zone benefits. This may generate higher taxes for distribution to taxing entities.

Ray Gillen described the Bow Tie Cinema and plans for an additional two floors of office space. The location is State and Broadway — the former Hough Building and two in-fill buildings. The total project cost is \$13 million. The theaters will contain more than 1,400 seats. Construction will start in March with BBL retained as general contractor. Bow Tie operates cinemas in New Haven, New York, and Aspen. A Galesi Group affiliate, Scotia Holdings, is developing the project. Mr. Blacklock made a motion to approve Resolution 89-06; Mr. Fava seconded the motion. Discussion followed. Resolution 89-06 was approved unanimously.

**2. Proctors Theatre** — Resolution 90-06: Hold Public Hearing and Commence PILOT Deviation Process

Jayme Lahut explained that by securing historic rehabilitation tax credits for its expansion project, Proctors reorganized its business structure. The lead entity is PTR Development LLC, which is composed of Arts Center and Theater (Proctors) and the Sherwin Williams entity buying the tax credits. Consequently, the for-profit real estate entity may be taxable according to the City's tax assessor. Resolution 90-06 initiates a PILOT deviation process, thereby allowing tax relief. With the tax status date set for March 1, there is a window to alter the tax situation. Discussions are underway between Proctors and the City.

Mr. Allen moved Resolution 90-06; Mr. Blacklock seconded the motion. There was no discussion. Resolution 90-06 was approved unanimously.

**3. Schaeffer Heights Housing Corporation**— Resolution 91-06: Amend Regulatory Agreement with HUD

Connie Cahill said that when the Annie Schaffer project was refinanced in 2000, HUD prepared a three-way agreement between the Agency, HUD and the developer, United Development, which described the project as multi-family, for-profit. The developer seeks to correct the document. Resolution 91-06 amends the regulatory agreement with the U.S. Department of Housing and Urban Development.

Mr. Blacklock moved approval of Resolution 91-06; Mr. Allen seconded the motion. Discussion followed. Mr. Allen said he has received many complaints from tenants about maintenance and repair issues, such as leaking ceilings. Mr. Fava said he rarely heard complaints and thought the facility was well maintained. Mr. Gillen noted that the County Planning and Economic Development office was located in the building. While he thought the combination of office space and senior housing made for an odd mix, he also thought the building was well maintained and saw no obvious on-going problems. Resolution 91-06 was approved unanimously.

**4. Lot 6** — Resolution 92-06: — Authorization to Remediate Pursuant to the Clean Water/Clean Air Bond Act of 1996

According to Jayme Lahut, NYS DEC is requiring the Agency to reauthorize undertaking the remediation at Lot 6 due to changes in program rules. DEC says it has to do with the increase in reimbursement rate from 70 percent to 90 percent. Jeff Holt informed staff that he had not heard of this requirement before. The resolution is nearly identical to one approved by the Agency authorizing the work in 2003. Mr. Fava moved Resolution 92-06; Mr. Blacklock seconded the motion. There was no discussion. Resolution 92-06 was approved unanimously.

**Other Business** —

Connie Cahill discussed provisions of the Public Authorities Accountability Act, approved by the State Legislature last summer and recently signed into law by Governor Pataki. Jim Callander recently attended a conference on the new law. The law requires compliance with various provisions and calls for greater transparency in operations. Among the requirements are improved annual reporting, new budget procedures, establishing an Audit Committee and separate Governance Committee. Board members will be required to attend state-sponsored training programs. Several written policies will need to be drafted and adopted dealing with ethics, real estate transactions and selecting auditors. Staff and Agency Counsel will be working on this throughout the year.

**Adjournment** — The meeting adjourned at 8:45 a.m.

Respectfully submitted,

Jayme B. Lahut  
Executive Director