



City of Schenectady Industrial Development Agency Board Meeting

Meeting Minutes — October 31, 2007

Agency Members: Denise Brucker, Joseph Allen, Jeffrey McDonald, Joseph Fava, Ann Reilly, and Doug Blacklock

Members Absent: Mayor Stratton

Others: Steven Volkheimer, Esq. (Agency Counsel), Ray Gillen, Jayme Lahut, Jim Callander, Scott Cietek, Carol Brown and audience of 3

Ms. Brucker called the monthly Agency meeting to order at 8:40 a.m.

- 1. Approval of Minutes:** August 29 and September 21, 2007 meetings — Mr. Allen moved approval of both the prior meeting minutes; seconded by Mr. Fava. There was no discussion. The minutes of the August 29 and September 21, 2007 meetings were unanimously approved. (Mr. McDonald and Mr. Blacklock were absent.)
- 2. Financial Report** — Jim Callander noted that operating revenues exceeded the budget and operating expenses continue to fall below budget for the period ending September 30, 2007. The first disbursement was made to the City for the Robinson building demolition. Mr. Fava moved acceptance of the financial report as written; seconded by Ms. Reilly. There was no discussion. The financial report was unanimously approved. (Mr. McDonald was absent.)
- 3. FY-2008 Draft Budget:** Resolution 153-07 — Jayme Lahut explained that the Agency is required to file the draft budget with the City Clerk's Office for a minimum of 20 days allowing for public inspection. Jim Callander reviewed the budget. Discussion followed regarding the forecast for revenues derived from project fees and costs associated with property maintenance. Mr. Blacklock moved Resolution 153-07; seconded by Mr. Allen. Resolution 153-07 was unanimously approved.

4. Kingsway Manor and Kingsway Arms Expansion Projects:

Jayme Lahut summarized the two projects. Michael McPartlon, a principal with Kingsway, provided details on the projects. Plans call for adding a two-story, 56,000 sq. ft. building which allocates the first floor to the nursing home facility and second floor to the assisted living adult home. The project allows Kingsway Arms Nursing Center to convert two existing 60-bed wings to 40-bed units by making more single-bed rooms available. The project meets rising demand for sole occupancy rooms as well as improves operating efficiencies. The total project cost is \$5,259,000.

The Kingsway Manor Assisted Living project adds 20 adult home beds and 20 beds dedicated to early Alzheimer's disease and/or dementia care. The addition offers both private and semi-private rooms. The total project cost is \$3 million.

Resolution 154-07 calls for public hearing on the projects which seek Agency assistance in securing mortgage recording tax exemption, sales tax exemption on materials, supplies and equipment and a PILOT on the addition. Resolution 155-07 commences the PILOT deviation process, once details of the PILOT have been finalized.

- **Resolution 154-07:** Preliminary Inducement Resolution —Ms. Reilly moved Resolution 154-07; seconded by Mr. McDonald. Ms. Brucker was supportive of the expansion projects. She complimented Mr. McPartlon and his family for operating an outstanding business in Schenectady. Following discussion, Resolution 154-07 was unanimously approved.
- **Resolution 155-07:** Kingsway Arms – Preliminary Inducement Resolution — Mr. Fava moved Resolution 155-07; seconded by Ms. Reilly. There was no discussion. Resolution 155-07 was unanimously approved.

5. Center City Property Transfers:

Jayme Lahut explained the pending transaction with respect to Center City. The Agency is the owner of record of a portion of the property and is party to a Lease Agreement with Robert A. Lupe since October 1980. The lease expires on November 30, 2007. Plans call for transfer of the property rights to a development entity of the Galesi Group. Included in the transfer will be spaces controlled by the City of Schenectady including the indoor soccer field, adjoining offices, and certain areas adjacent to Center City (exterior steps, piazza area and fountain bordering State Street and pedestrian Jay Street).

In order to effectuate the transfer, the Agency is being asked to accept City portion of real property, then convey an interest to the Galesi entity. The Agency also needs to terminate its interests in the parking lot at the rear of the property. In accordance with the Public Authorities Accountability Act, the Agency must provide 90 days notice to the Office of the State Comptroller and other agencies before the transfer is completed.

- **Resolution 156-07:** Authorize Compliance with the Public Authorities Accountability Act — The Public Authorities Accountability Act requires an explanatory statement of all property conveyances that are either less than fair market value or do not involve competitive bidding. In anticipation of accepting property from the City of Schenectady, the resolution addresses the notification requirement under the Act. Mr. Blacklock moved Resolution 156-07; seconded by Mr. McDonald. Discussion followed about new tenants and plans for the property. Resolution 156-07 was unanimously approved.
- **Resolution 157-07:** Seek Lead Agency Designation for SEQRA — Jayme Lahut explained that Resolution 157-07 seeks designation as Lead Agency for undertaking a coordinated environmental review as defined by SEQRA. By virtue of the property located in close proximity to Proctor Theatre, a federally-designated historic place, SEQRA requires a coordinated environmental review. The Center City transactions require approvals from the City Council (conveying the City-owned portion of the

property), the IDA (Agency-owned/leased portion), Planning Commission (subdivision of the parking lot), Board of Zoning Appeals (set back variances) and Metroplex (parking lot lease). Metroplex staff is capable of undertaking the necessary SEQRA review. Mr. McDonald moved Resolution 157-07; seconded by Mr. Fava. After brief discussion, Resolution 157-07 was unanimously approved.

6. **Benchmark Printing Project: Resolution 158-07** — Benchmark plans to purchase a \$2.5 million printing press and requests that the IDA issue tax-exempt bonds of up to \$2.9 million. Ray Gillen explained that the printing business is extremely competitive and this printing press is necessary for Benchmark to keep up with the competition and for the creation and retention of manufacturing jobs. Mr. Blacklock moved Resolution 158-07; seconded by Ms. Reilly. Mr. Volkheimer explained how tax-exempt bonds work and why they are applicable for this project. Jayme Lahut reported that the Agency would receive a fee equal to ½ of 1% of the bonds. Resolution 158-07 was unanimously approved.
7. **Other Business** — Ray Gillen reported on the announcement by GE for 500 new high paying, engineering jobs.
8. **Adjournment** – Mr. Blacklock moved to adjourn; seconded by Mr. Allen. The meeting was adjourned at 9:20 a.m.

Respectfully submitted,

Carol Brown
Staff