



City of Schenectady Industrial Development Agency Board Meeting

Meeting Minutes — February 28, 2007

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

Members Absent: Mayor Brian Stratton

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

Ms. Brucker called the monthly Agency meeting to order at 8:00 a.m.

1. **Approval of Minutes** — Mr. Allen moved acceptance of the minutes of the January 29, 2007 meeting; seconded by Mr. Blacklock. There was no discussion. The minutes were unanimously approved.
2. **Financial Report** — Jim Callander reviewed the report for the period ending January 31, 2007 noting the College Park project closing netted a \$100,000 fee and the receipt of DEC's long awaited payment for the Lot 6 cleanup. He briefed the members on paying the note to the City, outstanding Canal Square bills with Niagara Mohawk and Peek Street cleanup. Mr. Blacklock moved to accept the Financial Report as written; seconded by Mr. Fava and unanimously approved.
3. **Hampton Inn Project: Resolution 130-07 — Authorize PILOT Deviation**

Jayme Lahut explained that the resolution amends the PILOT for the Hampton Inn by introducing a Metroplex PILOT that supersedes the existing IDA PILOT. The revised IDA PILOT effectively sits dormant for the first six years, while the developer pays a greater amount in combined local property taxes and Metroplex PILOT in order to obtain greater benefits under the Empire Zone program. The IDA PILOT still results in taxes payable of \$150,000 annually in years 7-10; 11-15 will be \$175,000 annually; and 16-20 will be \$200,000 per year. Mr. Blacklock moved Resolution 130-07; seconded by Mr. Fava. Following brief discussion, Resolution 130-07 was unanimously approved.
4. **400 State Street Cinema / Office Building Project: Resolution 131-07 — Authorize PILOT Deviation**

Jayme Lahut explained how the IDA PILOT would be amended by allowing for a Metroplex PILOT that supersedes the existing IDA PILOT for the first 6 years. Thereafter provisions of the original PILOT take precedence — in years 7 through 15 the equivalent to \$1.00 per sq.

ft. of rentable space in the cinema portion of the facility and \$2.00 per sq. ft. of rentable occupied office space. Mr. Fava moved Resolution 131-07; seconded by Mr. Blacklock. Discussion followed about prospects leasing the office building portion and parking for movie-goers and tenants. Ray Gillen responded that the cinema will draw more people downtown, and the office space will attract new tenants from outside Schenectady. Mr. Allen moved Resolution 131-07; seconded by Mr. Blacklock. Resolution 131-07 was unanimously approved

5. Schenectady Associates, LLC (Commission on Quality of Care Retention Project):
Resolution 132-07 — Preliminary Resolution

Ray Gillen explained that Resolutions 132-07 and 133-07 are related to retaining and allowing a physical expansion of space for the NYS Commission on Quality of Care. The CQC has been located at 401 State Street since 1998 with about 100 employees. With no room to expand, the Galesi Group acquired the adjoining 2-story 409 State Street to keep CQC and add 52 jobs.

For legal purposes, there needs to be two separate applications for securing IDA benefits — sales tax exemption, mortgage recording tax exemption and PILOT. An existing entity, Schenectady Associates LLC owns 401 State Street and a new entity, Albany Ventures, Inc., will own 409 State Street. This unusual arrangement allowed State officials to keep CQC in downtown and extend the lease through 2019. In addition, a PILOT must be structured in a manner that makes property taxes emulate certain conditions of the lease. The PILOT would start in 2009 and run for 10 years.

Schenectady Associates (401 State Street) application plans for modest maintenance and repairs to the facility as well as façade renovation of the former Woolworth's Building. The project cost is about \$175,000. Ms. Reilly moved Resolution 132-07; seconded by Mr. Fava, which calls for holding a public hearing and initiating the PILOT deviation process. Ray Gillen explained his understanding of the State's decision-making on this matter, which helps keep jobs in downtown. Resolution 132-07 was unanimously approved.

6. Albany Ventures, Inc. (Commission on Quality of Care Expansion Project) — Resolution 133-07: Preliminary Resolution

Resolution 133-07 involves holding a public hearing and initiating the PILOT deviation process for the planned rehabilitation of 409 State Street. The applicant, Albany Ventures, Inc., is planning a \$2 million renovation to expand CQC to the entire first floor and restore the façade. The second floor space can be leased to another tenant. The project starts in April. The PILOT agreement would bring both properties under one lease. Ms. Reilly moved Resolution 133-07; seconded by Mr. Fava. There was no further discussion. Resolution 133-07 was unanimously approved.

- 7. Other Business** — Ray Gillen provided a brief update on Bechtel's announcement to downsize and remain in Schenectady. He also discussed opportunities for selling Center City and plans for improving the building.
- 8. Adjournment** – Mr. Allen moved to adjourn; seconded by Mr. Fava. The meeting was adjourned at 8:30 a.m.

Respectfully submitted,

Carol Brown