



City of Schenectady Industrial Development Agency Board Meeting

Meeting Minutes — February 29, 2008

Agency Members: Denise Brucker, Joseph Fava, Ann Reilly, Douglas Blacklock, Jeffrey McDonald

Members Absent: Joseph Allen and Mayor Brian Stratton

Others: Steven Volkheimer (Agency Counsel), Ray Gillen, Jayme Lahut, Jim Callander, Peggy Chesebrough and Melissa George

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

- 1. Approval of Minutes:** Ms. Reilly moved the approval of the February 14, 2008 meeting minutes; seconded by Mr. Blacklock. There was no discussion. The minutes of the February 14, 2008 meeting were unanimously approved.
- 2. Financial Report:** Jim Callander reviewed the financials for the period ending January 31, 2008, which were distributed in advance of the meeting. Revenues have already exceeded budget for the year with the closings of Benchmark and Union Graduate College. Expenses are within budget. Cash on hand stands at \$172,836. Mr. Blacklock moved acceptance of the Financial Report as prepared; seconded by Mr. Fava. There was no discussion. The Treasurers Report was unanimously accepted.
- 3. Kingsway Manor Assisted Living Expansion Project:** Resolution 180-08 — SEQRA

The project involves constructing a two-story, 56,000 sq. ft. addition which uses the first floor for the nursing facility and the second floor to the assisted living adult home. The Kingsway Manor project adds 20 adult home beds and converts 20 existing beds to an early Alzheimer's disease and/or dementia care residence offering private and semi-private rooms. The total project cost is \$3 million. Resolution 180-08 classifies the project as an Unlisted Action with no significant effect on the environment. The project Negative Declaration was attached to the resolution. Mr. McDonald moved Resolution 180-08; seconded by Mr. Fava. There was no discussion. Resolution 180-08 was unanimously approved.
- 4. Kingsway Manor Assisted Living Expansion Project:** Resolution 181-08 — Final Approving Resolution

The resolution, among other things, conveys the mortgage recording tax exemption and sales tax exemption on materials, supplies and equipment for the project. There is no PILOT for this

project. Ms. Reilly moved Resolution 181-08; seconded by Mr. McDonald. After brief discussion, Resolution 181-08 was unanimously approved.

5. Kingsway Manor Nursing Home Project: Resolution 182-08 — SEQRA

The resolution concerns the state-mandated environmental review of the nursing home expansion. The project involves occupancy of the first floor of the new wing being built. In addition, there will be modest renovations to the existing nursing facility. The project converts the nursing facility from 3-wings with 60-beds to 4-wings with 40-beds by making two-bed rooms into single-bed rooms. There is no increase in the total number of beds. The total project cost is about \$5.3 million. Resolution 182-08 classifies the project as an Unlisted Action with no significant effect on the environment. The project Negative Declaration was attached to the resolution. Mr. Fava moved Resolution 182-08; seconded by Mr. McDonald. There was no discussion. Resolution 182-08 was unanimously approved.

6. Kingsway Manor Nursing Home Project: Resolution 183-08 — Final Approving Resolution

The resolution authorizes standard Agency benefits — mortgage recording tax exemption, sales tax exemption and a PILOT. The Agency notified the City, County and School District tax jurisdictions because the PILOT deviates from the Agency's uniform tax exemption policy. The PILOT allows for 100% of normal taxes during the construction period and opening year (2009-2011) a 50% assessment abatement for years 2012-2014, 60% for 2015 -2016, then rising by 5% thereafter until 2021. The projects add 22 new fulltime and 23 partime jobs. Mr. Fava moved Resolution 183-08; seconded by Mr. McDonald.

Mr. McDonald asked about the PILOT benefit. Ray responded that Kingsway faces steep competition from non-profits, such as the Ingersoll Residence in Niskayuna, that do not pay real property taxes. Kingsway already pays about \$400,000 in taxes now. The project also creates new jobs. Resolution 183-08 was unanimously approved.

7. Schenectady Associates, LLC (401 State Street / Commission on Quality of Care Retention Project): Resolution 184-08 — Adopt PILOT

In November, the Agency gave final approval for retaining and expanding the NYS Commission on Quality of Care (CQC) offices on State Street. The resolution confers a Payment-in-Lieu-of-Tax Agreement for the project, which is needed to accommodate the lease requirements of the State of New York in renting additional space at 409 State Street. The PILOT allows for 100% normal taxes in 2008 and fixes the total payments in 2009 and 2010 to \$33,000 per annum. Thereafter, the property will pay 100% of normal taxes. Mr. Blacklock moved Resolution 184-08; seconded by Ms. Reilly.

Mr. McDonald asked about the total taxes that will be paid for both properties. Mr. Gillen responded saying the total will be about \$75,000, then increasing. He added that 409 State Street was vacant for many years and the proliferation of dollar stores downtown acted as a

deterrent to its revitalization. CQC brings more than 50 new jobs downtown and adds to the tax base. After discussion, Resolution 184-08 was unanimously approved.

8. Albany Ventures, Inc. (409 State Street / Commission on Quality of Care Expansion Project): Resolution 185-08 — Adopt PILOT

Resolution 185-08 calls for a PILOT for the adjoining structure at 409 State Street. Both 401 and 409 State Street are Galesi-affiliated entities. The PILOT accommodates the lease requirements of New York State and calls for 100% normal taxes in 2008 and fixes payments in 2009 and 2010 to \$42,350 per year, then rising. Mr. Fava moved Resolution 182-08; seconded by Mr. Blacklock. There was no discussion. Resolution 185-08 was unanimously approved.

9. Clinton Square Development Project: Resolution 186-08 — Final Approving Resolution

An IDA public hearing on the project was held on February 20. No comments were received. All necessary local approvals are in place for the \$3.65 million project that involves demolition of four buildings at the northwest corner of State and Clinton Streets and construction of a 3-story, 24,375 sq. ft. mixed-use facility. Plans call for ground floor retail space with second and third floor commercial space. Resolution 186-08 gives Agency consent for proceeding with project demolition and construction starting in March and provides a mortgage recording tax exemption and a sales tax exemption. There is no PILOT. The City of Schenectady obtained a \$1.4 million Restore NY grant for redevelopment of the site and Metroplex will invest about \$500,000. Mr. Fava moved Resolution 186-08; seconded by Mr. McDonald. After brief discussion about possible tenants, Resolution 186-08 was unanimously approved.

10. World Star, LLC (former Maqua Building): Resolution 187-08 — Consent to Cell Tower Lease

World Star LLC, owners of 450 Duane Avenue, seeks Agency consent to place a Verizon Wireless cell tower on top of the building. Resolution 187-08 authorizes Agency approval. Mr. Blacklock moved Resolution 187-08; seconded by Mr. McDonald. Resolution 185-08 was approved.

11. Other Business — Ray Gillen spoke about the final closing and transfer of title on the Center City properties. Both the IDA and the City of Schenectady relinquished their interests in the property. A Galesi-affiliated company, Development at Center City LLC, now owns and manages Center City. A public hearing on their application to stabilize the building will be held prior to next Agency meeting on March 19.

12. Adjournment — Ms Reilly moved to adjourn; seconded by Mr. Blacklock. The meeting adjourned at 8:35 a.m.

Respectfully submitted,

Jayne Lahut
Executive Director