



City of Schenectady Industrial Development Agency Board Meeting

Meeting Minutes — April 18, 2007

Agency Members: Denise Brucker, Joseph Fava, Joseph Allen, Jeffrey McDonald
Members Absent: Mayor Brian Stratton, Douglas Blacklock and Ann Reilly
Others: Connie Cahill (Agency Counsel), Ray Gillen, Jayme Lahut, Jim Callander, Scott Cietek and Carol Brown

Call to Order — Public Hearings

- 1. Schenectady Associates, LLC (401 State Street) /Commission on Quality Care Retention Project):** Ms. Brucker noted the hearing was duly noticed in the Daily Gazette. No one spoke. The hearing was closed.
- 2. Albany Ventures, Inc. (409 State Street /Commission on Quality of Care Expansion Project):** The hearing was duly noticed in the Daily Gazette to solicit any public comment on the expansion project. No one spoke. The hearing was closed.

Ms. Brucker called the monthly Agency meeting to order at 8:05 a.m.

- 3. Approval of Minutes** — Mr. McDonald moved acceptance of the minutes of the April 6, 2007 meeting; seconded by Mr. Fava. There was no discussion. The minutes were unanimously approved.
- 4. Schenectady Associates, LLC (401 State Street / Commission on Quality of Care Retention Project): Resolution 136-07** — SEQRA Negative Declaration

Jayme Lahut explained that Schenectady Associates owns the former Woolworth Building at 401 State Street. The tenant, Commission on the Quality of Care for the Mentally Disabled (CQC) seeks modest repairs and cosmetic changes including improvements to the building's façade. The project cost is about \$175,000. The project is considered to be a Type II action under SEQRA and therefore the environmental review was completed. Mr. McDonald moved Resolution 136-07; seconded by Mr. Allen. Resolution 136-07 was unanimously approved.

- 5. Schenectady Associates, LLC (401 State Street / Commission on Quality of Care Retention Project): Resolution 137-07** — Final Approving Resolution

Connie Cahill stated that Schenectady Associates seeks a sales tax exemption at this time. The mortgage recording tax exemption and a PILOT will be established at a later date after a lender is identified. Mr. Fava moved Resolution 137-07; seconded by Mr. McDonald.

Mr. Allen voiced concern about the PILOT agreement. Ray Gillen responded that the PILOT is needed to retain the existing 110 jobs and bring in 52 more. The new building has been vacant for several years, so the PILOT generates more tax base. Jayme Lahut explained that two options are under consideration, one of which relies on a short term PILOT. It was agreed to get more details to the Board as soon as an agreement is structured. Resolution 137-07 was unanimously approved.

6. Albany Ventures, Inc. (409 State Street / Commission on Quality of Care Retention Project): Resolution 138-07— SEQRA Negative Declaration

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 new space keeps CQC in downtown with a lease through 2019 and adds 52 new state jobs in downtown. Jayme Lahut explained that the project is considered to be a Type II Action pursuant to SEQRA in that the project represents maintenance or repair involving no substantial changes in the existing structure. Therefore the environmental review is complete. Mr. Fava moved Resolution 138-07; seconded by Mr. McDonald. There was no discussion. Resolution 138-07 was approved unanimously.

7. Albany Ventures, Inc. (409 State Street / Commission on Quality of Care Retention Project): Resolution 139-07 — Final Approving Resolution

Connie Cahill explained the resolution, which allows Albany Ventures to obtain a sales tax exemption, mortgage recording tax exemption and commence the PILOT deviation process. The project is ready to go. Mr. Fava moved Resolution 138-07; seconded by Mr. McDonald. There was no discussion. Resolution 139-07 was approved.

8. JMR Development Company (Bechtel Plant Machinery, Inc. Retention Project): Resolution 140-07 — Preliminary Resolution to Hold Public Hearing, Commence PILOT Deviation Process and Take Related Actions

Ray Gillen described the intensive negotiations with Bechtel allowing the company to remain in Schenectady. The agreement keeps 130 employees (290 currently) at the Liberty Street facility where Bechtel will reduce its space to 30,000 square feet (104,000 sq. ft. now) and subdividing the remaining space to be marketed to tech companies. Empire State Development (ESD) will provide a \$2 million grant for improving the space or to sub-divide and \$1 million to underwrite lease and operations costs. Bechtel's original PILOT limited payments to about \$1 per sq. ft. for the first 15 years and did not make payments to Schenectady County or the Schenectady school district. He described a revised PILOT at \$2.50 per sq. ft. for the entire building; rising to \$4.50 per sq. ft. for Bechtel from 2009-2011

and \$2.50 per sq. ft. for occupied space over the following 12 years. Mr. Fava moved Resolution 140-07; seconded by Mr. Allen. Following general discussion about the transaction, Resolution 140-07 was unanimously approved.

- 5. Other Business:** There was a brief discussion about PILOTs.
- 6. Adjournment** – Mr. Fava moved to adjourn; seconded by Joe Allen and the meeting was adjourned at 8:30.

Respectfully Submitted,

Carol Brown