



City of Schenectady Industrial Development Agency Annual Meeting

Meeting Minutes – May 31, 2006

Agency Members: Denise Brucker, Joe Fava, Mayor Brian Stratton, Joseph Allen, Ann Reilly and Doug Blacklock

Members Absent: None

Others: Connie Cahill, Esq. Eugene Devine, Esq. (Agency Counsel), Jayme Lahut, Jim Callander, Scott Cietek, Ray Gillen and Carol Brown

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

Election of Officers: Resolution 95-06

Article III Section 1 of the Agency's By-Laws requires the appointment of officers at the annual meeting, which is typically held in March. The last Agency meeting was held in February. The resolution called for the following nominations:

- Denise Brucker, Chair
- Joseph Allen, Vice Chair
- Joseph Fava, Treasurer
- Douglas Blacklock, Secretary
- Ann Reilly, Assistant Secretary and Assistant Treasurer

Ms. Reilly moved Resolution 95-06, seconded by Mr. Blacklock. There was no discussion. Resolution 95-06 was unanimously approved. (Mr. Allen and Mayor Stratton absent)

1. Approval of Minutes – February 27, 2006 Meeting

Mr. Fava moved acceptance of the minutes of the February 27, 2006 meeting; seconded by Mr. Blacklock. The minutes were unanimously approved. (Mr. Allen and Mayor Stratton absent)

2. Financial Report –

Jayme Lahut briefly reviewed the report, which showed little recent activity. Expenses were below expected levels. Ray Gillen reported on ceremonial checks presented to the City Council on May 22: \$230,000 for the Campbell Plastics property; \$40,000 for the overdue PILOT payment for Peek Street project; and \$135,000 as the first installment of Agency repayment of moneys owed to the City for DOT and Trading Port projects. Following brief discussion, Mr. Blacklock moved acceptance of the Financial Report, seconded by Mr. Fava and unanimously approved.

3. **400 State Street Cinema/Office Building Project:** Resolution 96-06 – Final Approving Resolution

Connie Cahill explained the resolution authorizes the chair to sign documents associated with Key Bank's pending closing. The project developer, Scotia Holdings, secures the exemption on mortgage recording tax and sales tax. A PILOT agreement was authorized at the Agency's February 27 meeting. Construction on the cinema and office started in April. Mayor Stratton moved Resolution 96-06, seconded by Ms. Reilly.

Discussion followed about the PILOT which is based on square feet of rentable space in the cinema and office portions of the facility. Ray Gillen said discussions were taking place that would modify the PILOT in a manner that would increase tax payments under the Empire Zone program. In turn, a portion of the PILOT would be used to finance part of the project. Mayor Stratton asked for a status report on the project. Ray Gillen replied that the cinema is expected to open by April 2007, weather permitting.

Resolution 96-06 was unanimously approved.

4. **Dorp Salvage Demolition Project:** Resolution 97-06 – Authorize Financial Assistance

Jayne Lahut noted that this project was discussed at the February meeting. Demolishing the Dorp Salvage and G&G buildings establishes a +/- 4-acre development-ready site in the city. The project budget is \$800,000 for building demolition, asbestos remediation, engineering fees and final site preparation. Other sources of funding include Schenectady Metroplex (\$350,000); County of Schenectady IDA (\$100,000) and Empire State Development Corporation (\$250,000). Metroplex has requested a \$100,000 grant for the project. Mayor Stratton moved Resolution 97-06, seconded by Mr. Fava. Discussion followed.

Ray Gillen discussed the bidding process and obtaining minority participation in the project. McTAP (Minority Contractors Technical Assistance Program) has supplied vendor names for the project contractor. He also said the site is being shown to potential developers either for one large building or a series of smaller buildings.

Resolution 97-06 was approved unanimously.

5. **426 State Street Associates LLC (Mazzone) Project:** Resolution 98-06 — Preliminary Resolution / Authorization to Hold a Public Hearing

Jayne Lahut explained that the resolution calls for a public hearing in July and notifies each of the affected tax jurisdictions of a deviation from the Agency's uniform tax exemption policy. The project redevelops the 4 vacant buildings known as the Close and Witbeck Buildings. The project budget is \$2,650,000 for acquisition, improvements, and preparing space for tenancy. The PILOT calls for payment of \$75,000 in years 1-5; \$100,000 for years

6-10; and \$120,000 for year 11-15. Mr. Fava moved Resolution 98-06, seconded by Ms. Reilly. Following brief discussion about the project, Resolution 98-06 was unanimously approved.

6. Other Business/Discussion —

- **Public Authorities Accountability Act** — Connie Cahill explained some of the requirements of the Public Authorities Accountability Act. She will meet with Denise Brucker and Jayme Lahut to address several of the key statutory requirements:
 - Form a Governance Committee and an Audit Committee
 - Establishment policies for disposition of real property, code of ethics, and employee compensation
 - Required training for Board members
 - Establish a website
- **PILOT Increment Financing Program** — Ray Gillen described this initiative, which is similar to tax increment financing programs. PILOT Increment Financing allows a developer to set up a PILOT paying taxes at full assessment, using a portion of the PILOT as a source of project financing and applying for reimbursement under the Empire Zone program. The city, county and school district could reap significant benefits. He is meeting with the affected tax entities to describe how the program works.
- **Peek Street** — Ray Gillen reported that Rick Lucia made payment on the \$40,000+ in PILOT payments owed on the site. The site would be used as supplemental parking for the new YMCA. He also explained plans for the City abandoning Maxon Road, conveying to the Agency, and then conveying again to the College Park developer that would improve site planning.
- **Lot 6** — Jim Callander explained that DEC has paperwork needed to process the grant, but there are unresolved contractor issues.

7. Other Business — No other business was discussed.

8. Adjournment — Mayor Stratton motioned to adjourn; seconded by Mr. Fava. The meeting adjourned at 9:10 a.m.