



City of Schenectady Industrial Development Agency

Board Meeting Minutes — July 22, 2009

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

Members Absent: Mayor Brian Stratton, Doug Blacklock and Joseph Allen

Others: Oksana Ludd (Agency Counsel), Ray Gillen, Jayme Lahut, Jim Callander, Scott Cietek and Carol Brown

Ms. Brucker called the monthly meeting to order at 8:15 a.m.

- 1. Approval of Minutes:** Ms. Reilly moved approval of the June 19, 2009 meeting minutes; seconded by Mr. Fava. There was no discussion and the minutes were unanimously approved.
- 2. Treasurer's Report:** Jim Callander reviewed the financials for the period ending June 30, 2009. He reported that expenses are within budget and revenues are slightly below budget pending collection of administrative fees for several projects already approved. Cash on hand was \$270,466. Ms. Riley moved acceptance of the Financial Report; seconded by Mr. McDonald. The Treasurer's Report was accepted.
- 3. 411 State Street Acquisition, LLC:** Resolution 248-09 — SEQRA

The Agency received an application from 411 State Street Acquisition, LLC, an affiliate of Galesi Group, seeking Agency assistance in the form of sales tax relief, exemption from the mortgage recording tax and a PILOT agreement with regard to the purchase, renovation and leasing of 411 State Street. The resolution classifies the project as a Type II action in that the project involves rehabilitation of an existing structure. Mr. McDonald moved Resolution 248-09; seconded by Mr. Fava. Resolution 248-09 was unanimously approved.

- 4. 411 State Street Acquisition, LLC:** Resolution 249-09 — Authorization to Hold a Public Hearing

The resolution calls for holding a public hearing for purposes of collecting public comment prior to conveying financial assistance. The Galesi Group recently purchased the building assuming all obligations from the previous owner. The project's first tenant, Paul Mitchell School, announced plans to occupy the first floor and basement for use as a cosmetology school, retail salon and offices. The second and third floors will be used for commercial offices. The \$2.6 million project includes building acquisition and Paul Mitchell fit up. When completed in February 2010, the project will create 40 new jobs plus attract an estimated 250 students and customers on a daily basis. Mr. Fava moved Resolution 249-09; seconded by Mr. McDonald. Resolution 249-09 was unanimously approved.

5. HB Diamond Development, LLC / Clinton Square Development Project: Resolution 250-09 — Extend Sales Tax Exemption

The developer requested an extension of its sales tax exemption for one year, while it recruits tenants and begins fitting up space. Anthology Design Studio recently leased 1,600 square feet of space on the first floor. The upper two floors are available for office space and are ready for leasing. Total project cost was \$3.75 million. Pioneer Savings Bank is the lead lender with a \$1 million investment, the City of Schenectady obtained a \$1.4 million Restore NY grant for the project and Metroplex invested \$500,000. Mr. McDonald moved Resolution 250-09; seconded by Mr. Fava. Resolution 250-09 was unanimously approved.

6. College Park / Golub Corporation HQ: Resolution 251-09 —Extend Sales Tax Exemption

The Golub Corporation requested a 30-day extension of its temporary sales tax exemption, which expired on July 21. At closing, which is imminent, the exemption will carry through to completion in early 2010. Mr. Fava moved Resolution 251-09; seconded by Ms. Riley. There was no discussion. Resolution 251-09 was unanimously approved.

7. Marcella Distribution Center Project: Resolution 252-09 — Hold a Public Hearing

The Agency previously approved financial assistance to Old Dorp, LLC, the turnkey developer of the Marcella Appliances project, for construction of a 16,750 square foot retail showroom and distribution center at 564 Broadway. When completed in November, Marcella will purchase the land and building with financing from Key Bank, an SBA-504 loan and Metroplex. Marcella is also keeping its existing Crane Street stores open. Resolution 252-09 authorizes holding a public hearing on Marcella's application requesting an exemption from sales taxes, mortgage recording taxes and the Agency's standard PILOT. Mr. McDonald moved Resolution 252-09; seconded by Ms. Riley. Discussion followed regarding the State's Empire Zones program. Resolution 252-09 was unanimously approved.

8. Other Business: Discussion followed regarding GE's new battery plant, the Restore NY grant application for the ALCO site and the plans for Erie Boulevard.

9. Adjournment: Mr. Fava moved to adjourn; seconded by Mr. McDonald. The meeting was adjourned at 8:30 a.m.

Respectfully submitted,

Carol Brown
Staff