



City of Schenectady Industrial Development Agency Board Meeting

Meeting Minutes — August 29, 2007

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

Members Absent: Joseph Allen, Mayor Stratton, and Denise Brucker

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

Public Hearing: JMR Development Company (Bechtel Plant Machinery, Inc. Retention Project)

Mr. Blacklock noted the hearing was duly noticed in the Daily Gazette. The public hearing was opened at 8:00 a.m. No one spoke. The hearing was closed.

Call to Order —

Mr. Blacklock called the monthly Agency meeting to order at 8:05.

- 1. Approval of Minutes** — Mr. Fava moved approval of the minutes of the June 22, 2007 Board meeting; seconded by Ms. Reilly. There was no discussion. The minutes were unanimously approved.
- 2. Financial Report** — Jim Callander reported that revenues exceeded the budget, while expenses continue to fall below budget for the period ending July 31, 2007. Cash on hand stands at \$326,000. Mr. McDonald moved acceptance of the Treasurer's Report; seconded by Mr. Fava. The Treasurer's Report was unanimously approved.
- 3. 2006 Audit:** Resolution 145-07 — Adopt Audit for the Fiscal Year 2006
Jim Callander explained that Bollam Sheedy & Torani provided the Agency with a clean audit with no adjustments to year end results. The audit contains a balance sheet, statement of income and expenses, cash flow statement, as well as the state-mandated Comptrollers report of Agency projects and activities. The draft has been submitted to the Comptroller's Office and the Authority Budget Office as required under the Public Authorities Accountability Act. Mr. McDonald moved Resolution 145-07; seconded by Mr. Fava. Discussion followed about the management letter and requirements for new policies, such as, ethics policy and whistle-blower policy. Resolution 145-07 was unanimously approved.

4. JMR Development Company (Bechtel Plant Machinery, Inc. Retention Project):
Resolution 146-07 — SEQRA

Ray Gillen summarized the retention efforts to keep Bechtel in Schenectady. The retention plan keeps 130 high-paying jobs in downtown; reduces Bechtel's space requirements from 104,000 to 30,000 square feet; extends the PILOT for 15 years with significant increases in payments to the taxing jurisdictions; and securing NYS financial assistance.

Connie Cahill explained that Resolution 146-07 classifies the project as a Type II (exempt) action under SEQRA because the project involves interior renovations with no significant changes to the structure. Ms. Reilly moved Resolution 146-07; seconded by Mr. McDonald. There was no discussion. Resolution 146-07 was unanimously approved.

5. JMR Development Company (Bechtel Plant Machinery, Inc. Retention Project):
Resolution 147-07 — Final Approving Resolution and Amend PILOT

Connie Cahill explained that Resolution 147-07 allows the Agency to take a leasehold interest in the property and lease it back to JMR Development. The PILOT is also being extended and amended. The original PILOT limited payments to about \$1 per square foot with no payments to the school district. The amended PILOT increases payments to \$2.50 per square foot until 2009; rising to \$4.50 per square foot for Bechtel's 30,000 square foot space until 2011 with normal taxes for tenants occupying the remaining space. A PILOT deviation letter notified the affected tax jurisdictions about the proposed deviation and allowing for comments prior to the meeting. Mr. Fava moved Resolution 147-07; seconded by Ms. Reilly.

Ms. Reilly asked about potential tenants for the non-Bechtel space. Ray Gillen responded that there were a few leads already, but renovation of the space would help marketing efforts. Resolution 147-07 was unanimously approved.

6. Wallace Building Project: Resolution 148-07 – Extend Lease with Robert A. Lupe

Ray Gillen provided a summary of plans for a new development company to take over Center City, clean up the property and attract new tenants. Metroplex also will manage and improve the parking lot. Resolution 148-07 extends the lease between the Agency and Robert Lupe from August 31, 2007 through November 29, 2007 allowing the pending sale of the property to be completed and resolving issues relating to overall building condition, real property taxes, and building tenancy. Ms. Reilly moved Resolution 148-07; seconded by Mr. McDonald. Resolution 148-07 was unanimously approved.

7. Lot 6: Resolution 149-07 —SEQRA Liedkie proposes buying Lot 6 for \$50,000 and constructing a 7,500 square foot storage warehouse. The company asks for a 180-day option to buy, 90 days to undertake environmental due diligence and secure project financing. The resolution addresses the state-mandated environmental review. The project is classified as an Unlisted Action under SEQRA and is not expected to have any significant negative effect on the environment. Mr. McDonald moved Resolution 149-07; seconded by Mr. Fava. Resolution 149-07 was unanimously approved.

8. Purchase Option Contract with Liedkie Moving & Storage, Inc.: Resolution 150-07

Clean up of Lot 6 is complete, although Jim Callander reported that the Agency's contractor, Valley Equipment, placed a lien on the property over a dispute about the amount of money owed. Valley was awarded a fixed price contract, but the cleanup project experienced cost overruns due to additional soil remediation. Valley Equipment is asking for \$78,000 to remove the lien — about \$58,000 remains on the contract. Discussion followed about removing the lien so that Lot 6 could be sold. It was agreed to revise the resolution offering Lot 6 for not less than \$70,000. Ms. Reilly moved to amend Resolution 150-07 giving Agency Counsel authority to renegotiate the sale price for not less than \$70,000; seconded by Mr. McDonald and approved unanimously. Mr. McDonald moved Resolution 150-07 as amended; seconded by Mr. Fava. Resolution 150-07 was unanimously approved.

Other Business — Jayme Lahut announced that a board training session as required by the Public Authorities Act would be held on October 6 from 9:00 – 1:00 at Proctor's new GE Theater. There was a general discussion on ongoing downtown projects.

Adjournment — Mr. McDonald moved to adjourn; seconded by Mr. Fava. The meeting was adjourned at 9:15 a.m.

Respectfully submitted,

Carol Brown
Staff