



## City of Schenectady Industrial Development Agency Board Meeting Minutes — February 9, 2011

Agency Members: Denise Brucker, Douglas Blacklock, Joseph Fava, Jeff McDonald, Ann Reilly and Joseph Allen

Members Absent: Mayor Stratton

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

**Call to Order:** Ms. Brucker called the meeting to order at 8:00 a.m.

1. **Approval of Minutes:** Mr. Blacklock moved to accept the December 29, 2010 meeting minutes; seconded by Mr. McDonald and approved (Mr. Allen and Mr. Fava were absent).
2. **Kingsway Arms Nursing Home Expansion Project:** Resolution 328-11 — Amend Payment-in-Lieu-of-Tax Agreement

The original PILOT, approved in 2008, allowed for 100% of normal taxes on the existing facilities during the construction period through 2011 when the City was expected to adjust the assessed value of the property effective in 2012. However, the City raised the assessed value in 2010 before construction was completed.

Resolution 328-11 allowed the PILOT to start in 2011 rather than in 2012. The PILOT deals with the expansion only and calls for Kingsway to pay taxes on 50% of the value of the expansion in 2011-2013, 60% in 2014-2015, and rising by 5% thereafter until 2020.

The two-story, 56,000 sq. ft. addition to the facility, which allocated the first floor to the nursing facility and the second floor to the assisted living adult home, is completed. The total project cost was nearly \$9 million and the two facilities are expected to add 22 new fulltime and 23 part-time jobs. Mr. McDonald moved Resolution 328-11; seconded by Ms. Reilly. Following brief discussion, Resolution 328-11 was unanimously approved (Mr. Allen was absent).

3. **Villa Italia LLC Project:** Resolution 329-11 — Approve Bank Financing

The original \$1.7 million Villa Italia project was funded mostly by the Mallozzi family with a small Metroplex façade grant and a City EDF loan. The facility employs 45 people. Resolution 329-11 approved Trustco Bank's \$600,000 loan, which will be used to pay off existing Trustco line of credit, reduce balances owed to Mallozzi affiliated entities utilized to help finance the original project, and improve Villa Italia's working capital allowing further growth. The Agency holds a PILOT mortgage on the facility. Mr. McDonald moved Resolution 329-11; seconded by Mr. Blacklock. After discussion about the success of the project, Resolution 329-11 was approved (Mr. Allen was absent.).

**4. Green Oak Stockade View Apartments Project: Resolution 330-11 — Approve Bank Financing**

Resolution 330-11 authorized refinancing of a pre-existing First Niagara loan with a \$2,550,000 HSBC loan and provided a mortgage recording tax exemption. The project involved making interior and exterior renovations and improvements to the 64-unit apartment building at 10 Mill Lane. About 45 apartments have been renovated to date as well as the lobby, halls and laundry room. The exterior has had a complete makeover. Mr. McDonald moved Resolution 330-11; seconded by Mr. Fava. Following discussion, Resolution 330-11 was unanimously approved.

**5. JK, LLC (Cyclics Project): Resolution 331-11 — Amend Loan Terms**

The Agency holds a note on the land sale for \$79,000 payable over 20 years at 7 percent interest for 5.2-acre parcel in Riverside Technology Park. JK, LLC, an affiliate of Galesi Group, constructed a 22,000 square foot building for Cyclics Corporation. Due to financial difficulties, Cyclics has not paid full monthly rent since November '09 and owes JK, LLC \$140,000+ in past due rent. JK, LLC requested a forbearance period for six-months that allows for no monthly payments to the Agency so that Cyclics can become current on rent payments or find another tenant. Resolution 331-11 deferred payments for six months (approximately \$3,675) which will be paid at loan maturity in 2024. Mr. McDonald moved Resolution 331-11; seconded by Mr. Fava. After discussion, Resolution 331-11 was unanimously approved.

**6. Golub Headquarters Project: Resolution 332-11 — Amend Application and Extend Sales Tax Exemption**

The company amended is application to represent project costs have increased from \$8 million to \$18 million. Resolution 332-11 acknowledged the increase in project costs and extended the sales tax exemption through June 30, 2011. Mr. Fava moved Resolution 332-11; seconded by Mr. Blacklock and unanimously approved.

**7. Other Business:** Ray Gillen reported on several Schenectady projects including GE, Alco demolition, Upper Union Streetscape project and the Erie Boulevard reconstruction project.

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

Respectfully submitted,

Carol Brown  
Staff