

Albany Industrial Development Agency

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Anthony J. Ferrara, *Chairman*
Susan Pedo, *Secretary*
Kathy Sheehan, *Treasurer*
Martin Daley
C. Anthony Owens
Tracy Metzger

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Council*

IDA MINUTES OF FINANCE COMMITTEE MEETING Thursday, May 8th

Attending: Martin Daley, Kathy Sheehan, Susan Pedo, Tracy Metzger & C. Anthony Owens

Absent:

Also Present: Mike Yevoli, Erik Smith, Joe Scott, Sarah Reginelli, Brad Chevalier & Amy Gardner

Chairman Martin Daley called the Finance Committee meeting of the IDA to order at 12:15PM.

Roll Call

Chairman Martin Daley reported that all Committee members were present.

Reading of Minutes of the Finance Committee Meeting Minutes of April 18, 2013

Since the minutes of the April 18, 2013 meeting had been distributed to the Committee members in advance for review, Chairman Martin Daley made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Finance Committee Meeting Minutes of April 18, 2013

Chairman Martin Daley made a proposal to approve the minutes of the Finance Committee meeting of April 18, 2013. A motion to accept the minutes, as presented, was made by Anthony Owens and seconded by Tracy Metzger. A vote being taken, the minutes were accepted unanimously.

Unfinished Business

Fuller Road Management Corporation (FRMC)

Staff advised the Board that the project had not changed significantly since it was presented at the April Board meeting. Staff informed the Board that two public hearings had been scheduled in relation to the project: one pursuant to Article 2 of the eminent domain procedure law the second pursuant to Section 859A of the General Municipal Law. The public hearings would be held Thursday, May 16th at 12:00pm prior to the Board meeting. The Committee requested that the Applicant provide clarification that they will continue to pay the full BID tax. Agency Counsel advised the Committee that this would be clarified in the agreement.

733 Broadway

Staff reviewed the revised PILOT payment schedule with the Committee. Staff advised the Committee that the Applicant had increased the total amount of PILOT payments from approximately \$2.7 million to approximately \$3.94 million. Staff noted that the revised PILOT proposal still included a 40 year PILOT. How to quantify and measure the economic impacts of this project were discussed at length. The Committee tasked staff with working to demonstrate the economic impacts specific to this project, as well as the economic impacts of market-rate multifamily projects in general. Staff advised the Committee it would work to complete this by either the June or July Board meeting. Staff advised the Committee they would like the Board to consider a public hearing resolution for the project at the next Board meeting.

A motion to move the project to the Board with the recommendation that a public hearing resolution be considered was made by Tracy Metzger and seconded by Susan Pedo. A vote being taken the motion passed unanimously.

TMG-Albany I, LP

Staff reviewed the project with the Committee. In December 2011 the project was presented and a preliminary inducement resolution was approved by the Board. The potential project entails the acquisition of 400 Hudson Avenue, a 179 unit affordable senior housing facility. The Company proposes adding an additional three units along with renovating the rest of the property in order to bring the structure in line with today's codes and standard. Pre-development work has continued on the project while the Agency and Applicant waited for an allocation award of Federal Industrial Development Bonds that had been applied for by the Agency on behalf of the Applicant during the Summer of 2012. In December of 2012 an allocation award was received by the Agency. Staff advised the Committee that the funds received via sale of the bonds would be used by the Applicant during construction only.

The Applicant has submitted an updated application reflecting changes in the project. Staff advised the Committee that the PILOT request had changed from 35 years to 40 years. The PILOT request entails a fixed annual payment of \$43,000 for Years 1-5 with an annual 2% increase starting in Year 6 and continuing every year thereafter for the term of the PILOT. Shelter rents and how they are calculated were discussed. Staff noted that the current payment schedule was proposed to keep the debt coverage ratio at around 1.2%. A lengthy discussion ensued about the PILOT request. The Committee tasked staff with working with the Applicant to modify the PILOT request. The Committee discussed denying the mortgage recording tax exemption due to the magnitude of the PILOT request. The Committee tasked staff with notifying the Applicant that the exemption would likely be denied.

Staff advised the Committee that a public hearing for the project was scheduled for May 16th at 12:00pm prior to the Board meeting.

New Business

488 Broadway Potential Project

Staff advised the Committee that they had been working with developers of the project to resolve outstanding issues, but should be prepared to begin discussing the project in the coming months. Staff advised the Committee that more project specific information would be made available in the future.

Other Business

There being no further business, Chairman Martin Daley adjourned the meeting at 2:00PM.

Respectfully submitted,

(Assistant) Secretary