

**City of Mechanicville – Town of Stillwater
Industrial Development Agency
Chamber Office, XO Tower, Elizabeth Street
Mechanicville, NY, 12118**

MEETING MINUTES

November 1, 2016

Meeting called to order by Chairperson Sally Herrick at 5:15 p.m.

MEMBERS PRESENT: Chair Sally Herrick, Treasurer Sam Carabis, Secretary Maria Morris, Barb Corsale, John Fusco, Jim Salmon, Jan Sylvester

ALSO PRESENT: CEO John Bove, Mechanicville Supervisor Tom Richardson, SEDC President Dennis Brobston, Mayor Dennis Baker.

Sally Herrick announced that we'd received a letter from the Applicant on the Esplanade project asking for a six-month extension. Representatives attending the meeting were P. Christopher Dirr, from the NRP Group, Bill McNeary, project owner and Patrick Greene, attorney for Mr. McNeary and the project.

Mr. Greene noted that this is the third extension sought, due to challenges they'd experienced. The first two entities Mr. McNeary partnered with backed out because of challenges to make this project work in Mechanicville for the cost. Two years ago, they met with NRP, a Cleveland-based national developer who has worked locally in the Town of Moreau on a project similar to this. NRP advised they'd have to change the project and work with the City to discuss on how to make the project work consistent with the objectives and mission of the IDA. They'd run into several obstacles, including clearing the site under DEC direction along with the Corp of Engineers.

Mr. Dirr noted that they have 144 units in Moreau, all townhouses. In Mechanicville, they took this project to market for investors and debt providers, and the feedback was that the original 325 unit plan was too dense for the site, and that the projected rents were too high, so the investors and debt providers passed. After talking with the Mayor, they came to two conclusions; they have to lower the amount of units and the rents. 225-250 units would be more realistic density for the site and the market. The original plan included common space, but the Mayor wanted them to go to community businesses. They needed to attempt to keep the original layout, since McNeary spent a lot of money getting the site and the pads ready. The majority of the buildings will be three-story walk-ups. The first phase will be 88 units, with a total of 227 units. The orientation of Building 8 was switched to place it all within the City of Mechanicville.

Sally asked if NRP's other projects in NY involved an IDA, and was told no. She noted that there are a lot of changes that might require another whole application process. There is no commercial in this newest plan, and no jobs, but the most recent version did not have any commercial either. Jim Carminucci noted that the requested extension is for time to get more

details. Sally noted that there have been more than one extension already granted, that there was only a couple of weeks' notice for this, and normally the IDA doesn't have a November meeting, we just happened to have scheduled one.

The projected rents will now be \$900 - \$1200, instead of \$1200 - \$1600. There was discussion regarding whether the rents would be subsidized or involve Section 8. Mr. Dirr stated that we can't prevent that if someone can afford the rent. It is anticipated that 28 units will be for veterans, where the subsidy goes to the tenant.

As to a question on phasing, Mr. Dirr stated that if Phase 1 started in May of 2017, they would be turning over units in the spring of '18. Phase 2 would begin in the spring of '19, with turnover in the spring of '20. In response to a question regarding why only now are they proposing the changes in the rents and number of units, Mr. Dirr responded that their due diligence showed a lot of building in Malta and Saratoga, and that nationally the market is changing, and these types of deals are harder to do. Mr. McNeary stated that when they used Malta and Halfmoon comparables, the bank said no, so they needed to find better methods of financing, with less debt. That would mean they need income thresholds, therefore the rents need to be income-based.

Jim Carminucci noted that the original application was in 2011. There was a public hearing and an inducement resolution. In 2013 there was a new application, with another public hearing. That application closed in November of 2015, and they asked for a one year extension. Now this is the second extension they are requesting. We need to review the application and the changes and determine if it is essentially the same. If it is, there will be no need for another public hearing. If it is not, they must make a new application and there will be another public hearing. Mr. Dirr will put together a summary of funding for us as well.

Motion to approve the Resolution extending the termination date of the inducement resolution previously adopted relating to the Esplanade project to May 6, 2017, made by Jim Salmon, seconded by Sam Carabis. Roll call vote 6-0 in favor, Barb Corsale had left the meeting. Motion carried.

SECRETARY'S REPORT

Secretary Maria Morris presented the March 22, 2016 minutes for approval. Motion to approve by John Fusco, seconded by Sam Carabis. Vote 6-0, motion carried. April 7 minutes could not be voted on because there was not present a quorum of those who had attended the meeting. They will be held for the next meeting. Motion to approve the July 7, 2016 minutes, including the Treasurer's report given at that meeting, made by John Fusco, seconded by Sam Carabis. Vote 6-0, motion carried.

Maria presented the September 29, 2016 minutes for approval. Correction needs to be made in "Other/New Business", beginning of fourth sentence, change to "The County created the SPP..." Motion to approve, with corrections and with the Treasurer's report included made by Sam Carabis, seconded by John Fusco. Vote 6-0, motion carried.

PROPOSED BUDGET: Sam noted that Ed Galka's bill for 2015 had been paid, at \$2000, although he'd still needed to send us an updated bill, which we've received. He presented the tentative 2017 budget, which shows the balance currently on hand is \$3205.64. The expected disbursements are based on last year's numbers, and do not include our 2017 SEDC dues, which we will ask to have waived again. At this rate, without any additional income, we will be operating at a deficit of \$2292.36. The written report contained two typographical errors: money on hand in TD Bank should be changed from \$3205.54 to \$3205.64; and the total balance anticipated for 2017 should be changed from \$-2292.46 to \$-2292.36. With those corrections, motion to accept the proposed budget made by Maria, seconded by Jan. Vote 6-0, motion carried.

Next meeting is scheduled for December 12, 2016 at 5:15. Motion to adjourn made by John Fusco, seconded by Jan Sylvester. Meeting adjourned at 7:05.

Respectfully submitted,

Maria Morris, Secretary