

Town of Colonie Industrial Development Agency

Board Minutes
June 18, 2012 Meeting

Meeting called to order by Chairman Kearney at 6:30 pm.

Members in attendance:

Dave DeLuca
Sharon Bright Holub (entered 7:00)
Gary Rinaldi

David Hernandez
Eric Phillips (Absent 7:10 to 8:45)

Members absent:

Benjamin Syden

Bond Counsel: M. Cornelia Cahill, from Hiscock & Barclay

Chief Executive Officer: Joseph LaCivita

Guests: Robert Tengeler, Hiscock & Barclay and Chair of Town of Colonie Local Development Corporation
Michael Magguilli, Town Attorney
Christopher Kelsey, Town Accounting Supervisor

Public Hearing:

Chairman Kearney opened the public hearing on the SRS Colonie, LLC and Shop Rite Supermarkets, Inc. project at 6:35.

The public hearing began with a presentation from the representatives of SRS Colonie, LLC. There are two projects under this application. The first is to move the existing Otto Cadillac at 1728-1730 Central Avenue to the former Saturn Dealership at 1769 Central Avenue. Renovation and an 800 square foot expansion would occur at the 1769 Central Avenue location to conform to current Cadillac Dealership standards.

At the 1728-1730 Central Avenue location the existing structures would be demolished and replaced with a 70,000 square foot Shop Rite Supermarket and 14 pump gas station. There are potential for both a 24 hour operation and an order/delivery of groceries option at this location. A new traffic light at Willow and Central Avenue will be installed also.

The Shop Rite Supermarket is projected to create 300 to 400 new full and part-time employees, while Otto Cadillac will retain the existing 45 employees.

Both projects total approximately a \$26 million investment and have been approved by the Village of Colonie Planning Board. Additionally, all required Village building and New York State Department of Transportation permitting has been obtained. The Village approval contains significant conditions that will be monitored by the Village, including green space and sound buffers.

They are looking for the Colonie IDA to provide Sales and Use Tax and Mortgage Record Tax exemptions of approximately \$989,000 and \$210,000, respectively.

Public Comment: Residence on Lansy Lane in the Village of Colonie expressed their displeasure with the Village process especially the approved green space buffer and sound buffer. However, they now understand it is not the role of the IDA to discuss these matters. They did inquiry as to why such a successful entity would require any subsidies at all.

It was explained by the representatives that these savings were already included in the calculation for the project and the savings would be passed on to the eventual customers through reduced pricing of good.

Having no further public comment the public hearing was closed at 6:47.

MOTION: Approve a preliminary inducement. Made by Gary Rinaldi, seconded by David Hernandez, and unanimously approved.

RESOLUTION: Determining that the execution of the lease agreement in connection with a certain project for SRS Colonie, LLC and Shop Rite Supermarkets, Inc. and determining other matters in connection therewith will not have a significant effect on the environment pursuant to the State Environmental Quality Review Act. Made by Gary Rinaldi, seconded by David Hernandez, and unanimously approved.

RESOLUTION: Authorizing the execution of the lease agreement in connection with a certain project for SRS Colonie, LLC and Shop Rite Supermarkets, Inc. and determining other matters in connection therewith. Made by David Herandez.

After discussion among the board members as to factors surrounding the projects location and retail nature a second was made by Gary Rinaldi, and unanimously approved.

Presentation:

Shelter Cove, LLC

Mr. Raymond and Mr. Devito from Shelter Cove, LLC provided an update on their project before the IDA for consideration.

They first wanted to clarify that they are only requesting exemption from mortgage recording and sales and use taxes on the construction of the apartments and the commercial office space, not any of the 111 residential units. Nor are they requesting a property tax PILOT because they feel the Town has a reasonable property tax rate.

Currently the project is stalled because the lenders perceived notion of the unfavorable proximity to the Town's solid waste facility. They have a significant shortfall on the financing which these exemptions would reduce considerably.

An economic impact study was completed by the developer and provided to the members of the IDA. Additionally, they highlighted again the benefits to the Town including the donation of 10 acres of park land; extension of the Town's portion of the bike path; and improved water and sewer infrastructure.

Ideally, they would like to start construction in the late summer of 2012. Total construction time is estimated at approximately 6 years, with the financing area being completed in the first three years. The project would be broken into three phases as follows:

- Phase 1 – Water, sewer, and storm water infrastructure, clubhouse, pool and 100 apartments;
- Phase 2 – Balance of apartments; and
- Phase 3 – Office and residential units.

MOTION: Authorizing the Executive Director to hold a public hearing regarding a certain project for Shelter Cove, LLC. Made by Sharon Bright Holub, seconded by David Hernandez, and unanimously approved, other than Mr. DeLuca who recused himself from the vote.

Joseph LaCivita then informed those assembled the public hearing will be tentatively scheduled for July 16, 2012 at 6:30 pm, and would arrange the required notices to be published.

TransTech Systems, Inc.

Mr. Cusack and Mr. Morris representing TransTech Systems, Inc. asked to speak before the IDA in an effort to determine the members interest in their project.

TransTech is currently located in Schenectady and is rapidly out growing the current location. It produces concrete, road, and soil gauges to test quality of the materials. Additionally, it is involved in construction testing services, and research and development into additional uses of the technology.

In addition to outgrowing their space they are looking for a more appropriate space to attract business and provide a more efficient facility layout. They are currently looking at space off Old Niskayuna and Sicker Roads near the current Pepsi plant and would need to be shovel ready by the fall of 2012. Their current landlord, and part shareholder, would remain the landlord in the new location as it owns a part of the new location.

Currently they employ 40 to 50 full time employees with an expected 9% growth rate over the next 10 years. They would be looking for mortgage and sales tax exemptions, potentially a PILOT agreement and relief from the Town's Airport Area mitigation fees.

The next steps would be for their landlord to apply to the IDA for consideration of the project and go through the Town of Colonie planning process. At that point the landlord would need to apply to the Town of Colonie Board for relief from the mitigation fees.

CEO Report

Insurance Premiums:

Joseph LaCivita provided the members with a copy of the Conditional Renewal Notice from The Hartford for the director and officer liability insurance for the next year. The premium increased \$530 to \$2,347 based on industry trends. If there were no questions Mr. LaCivita indicated he would proceed with the renewal.

Latham Water Plant Abatement/Demo Project:

Mr. LaCivita provided a memorandum from Barton and Loguidice, PC summarizing the costs of the project and the estimated increase in costs of about \$9,700. As the overall project will remain under the amount approved by the Board, even with this increase, Mr. LaCivita will approve the increase.

272 Maxwell Road:

Mr. LaCivita reminded the members that the building remains off the market and that it's non-conforming use compliance has expired. In the near future Mr. LaCivita needs direction on how the Board would like to proceed.

Approval of the Minutes:

MOTION: to accept the April 23, 2012 minutes as provided, with the correction identified by David DeLuca, was made by David DeLuca, seconded by David Hernandez, and unanimously approved.

Other Business:

Discussion ensued between the members on various projects and their potential impact on other projects within the Town.

July 16, 2012

Committee Reports and Project Updates:

All were tabled until the July 16, 2012 minutes due to the late hour and no significant changes:

Meeting adjourned at 8:50 pm

Next meeting will be July 16, 2012 at 6:30 pm

FINAL