

PUBLIC HEARING MINUTES 1/23/2023

PUBLIC HEARING PURSUANT TO SECTION 859-a OF THE GENERAL MUNICIPAL LAW

Agency	City of Rensselaer Industrial Development Agency
Project Beneficiary:	McManus Partners, LLC
Project Location:	City of Rensselaer, Rensselaer County, New York
Hearing Date:	January 23, 2023
Hearing Time:	4:00 p.m.
Hearing Location:	City of Rensselaer City Offices located at 62 Washington Street in the City of Rensselaer, Rensselaer County, New York

BOARD MEMBERS PRESENT: STAMMEL, KRETZSCHMAR, STEVENS (VIA ZOC

Opening Remarks

Good afternoon.

My name is John Bonesteel and I am the Chief Executive Officer of the City of Rensselaer Industrial Development Agency (the "Agency") in connection with the project which is the subject of this public hearing.

Today we are holding this Public Hearing to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a project (the "Proposed Project") for the benefit of McManus Partners, LLC (the "Company"), a New York State limited liability company.

The Proposed Project consists of the following: (A) (1) the acquisition of an interest in a certain parcel of land containing approximately .28 acres located at 20 Herrick Street (tax map no.: 143.68-6-2) in the City of Rensselaer, Rensselaer County, New York (the "Land"), together with the existing facility located thereon containing approximately 40,900 square feet of space and commonly known as the St. John School Building (the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility to contain approximately 10,000 square feet of space (the "Addition") (the Existing Facility and the Addition being hereinafter collectively referred to as the "Facility") and (4) the acquisition and installation therein and thereon of certain machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by McManus Elm, LLC and McManus Herrick, LLC (collectively, the "Real Estate Holding Company") and operated by the Company as a mixed-use facility to contain approximately 49 market-rate residential apartment units, and any other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

I intend to provide general information on the Agency's general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

Amount of Financial Assistance Being Considered by the Agency

However, before discussing the general information and opening the hearing for public comments, I would like to first describe some details regarding the Proposed Project, as outlined in the Application.

In the Application, the Company has represented the following:

1. That the Project will create approximately 10 FTE jobs following the second year of operation of the Project Facility. The creation of these jobs will increase local tax revenue and consumer spending in the community.
2. That the Company would not undertake the Project without the assistance being offered by the Agency.
3. That the Company understands and recognizes that the assistance being offered by the Agency is subject to "claw-back" under the Agency's Uniform Criteria for Project Evaluation Policy if the Company does not complete the Project or maintain the required employment levels.

The estimated costs of the Proposed Project are equal to \$8,950,000, and the benefits estimated in the Application which are being considered by the Agency are described briefly as follows:

1. Sales Tax Exemption: estimated to equal \$360,000 (est.);
2. Mortgage Recording Tax Exemption: estimated to equal \$81,250 (est.); and
3. Real Property Tax Exemption: \$1,218,014 (est. over thirteen (13) years). The PILOT abatement schedule is determined in accordance with the Agency's Uniform Tax Exemption Policy.

Please note the following with respect to the proposed PILOT structure:

1. Real property tax exemption is being considered for the reconstruction and renovation of an approximately 40,900 square foot existing facility located thereon.
2. Under the PILOT structure, the amount of existing property taxes being paid with respect to the Project site will NOT be decreased.
3. The Company has applied for the 13-year PILOT structure under the Agency's Uniform Tax Exemption Policy. If the Company qualifies for such schedule, the schedule provides for a 100% exemption in Years 1-8, with the amount of the abatement diminishing by twenty-percent (20%)/year starting in Year 9 and continuing until year 12. In Year 13 the Project will be paying an amount equal to full property taxes. The 13-year PILOT structure does not provide any abatement to the Company for special district charges, such as water or sewer charges. The Company is responsible for paying the full amount of such charges.

Lastly, under the IDA documents, the Company will be subject to recapture of the Financial Assistance upon the occurrence of certain "recapture events". Examples of recapture events include the failure to complete the Proposed Project and make the promised investment, and maintenance of the promised job levels.

Legal Authorization and Powers of the Agency

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 235 of the 1974 Laws of New York, as amended, constituting Section 903-c of said General Municipal Law (collectively, the "Act"), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others.

Purpose of this Public Hearing

Pursuant to Section 859-a(2) of the Act, prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project. Since the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, prior to providing any "financial assistance" (as defined in the Act) of more than \$100,000 to the Proposed Project, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed "financial assistance" to be provided by the Agency with respect to the Proposed Project.

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on December 19, 2022 (the "Public Hearing Resolution") authorizing the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

By way of background, notice of this Public Hearing was published on January 13, 2023 in the Record, a newspaper of general circulation available to the residents of the City of Rensselaer, Rensselaer County, New York. In addition, as required by New York State law, the notice of this Public Hearing (A) was mailed on January 12, 2023 to the Affected Tax Jurisdictions and (B) was posted on January 12, 2023 on a public bulletin board located at 62 Washington Street in the City of Rensselaer, Rensselaer County, New York and on the Agency's website.

Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Proposed Project by the Agency and the granting by the Agency of any "financial assistance" in excess of \$100,000 with respect to the Proposed Project. The Agency currently intends to consider the Proposed Project at the meeting of the Agency to be held on February 27, 2023. This meeting, like all meetings of the Agency, will be open to the public.

Remarks by the Company

~~**[If a representative of the Company is present at the Public Hearing] I will now introduce _____, who is appearing on behalf of the Company, who will describe the Proposed Project in further detail.**~~

Open Public Hearing to the Floor for Comments

I will now open this Public Hearing for public comment at 4:07p.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I will call on you. Please wait to be recognized, once recognized, please stand and state your name and address for the record.

~~[Unless there are a large number of citizens present who wish to comment, this paragraph may be skipped]~~ Please keep your comments to five (5) minutes so that all those present today may have a chance to comment for the record. If your comments mirror those of someone who has already spoken, you may so indicate and then relinquish the podium to another speaker so that all views represented at this hearing may be heard.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Project.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions.

I will now ask if there is anyone in attendance who wishes to comment on either on the nature and location of the Project Facility or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

For the record, please state your name and indicate your comments on either the Proposed Project or the proposed "financial assistance" being contemplated by the Agency with respect to the Proposed Project.

[Allow those present to present their views]

NO PUBLIC COMMENT WAS MADE
Formal closure of the public hearing

[After ascertaining that there is no one else present who wishes to comment and ascertaining that at least 15 minutes has passed after the scheduled time for the hearing].

So, if there are no further comments, I will now close this Public Hearing at 4:15 p.m.

Thank you all for attending.