

*City of Rensselaer Industrial Development Agency
Public Hearing in re: BBL Barnett LLC*

September 26, 2022

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M-F Reporting, Inc.

5 Southside Drive
Suite 11
Clifton Park, NY 12065
518-478-7220

info@mfreportingny.com
www.mfreportingny.com

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY
PUBLIC HEARING

Re: BBL BARNETT LLC

September 26, 2022

4:00 p.m. - 4:19 p.m.

62 Washington Street

Rensselaer, NY 12144

Reported by: Brenda J. O'Connor-Marello, CSR

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”) will be held by the City of Rensselaer Industrial Development Agency (the “Agency”) on the 26th day of September, 2022 at 4:00 o’clock p.m., local time, at the offices of the Agency located at City Hall of the City of Rensselaer located at 62 Washington Street in the City of Rensselaer, Rensselaer County, New York in connection with the following matters:

BBL Barnett LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a certain parcel of land containing approximately 6.52 acres located at 11 Forbes Avenue and 20 Forbes Avenue (tax map nos. 133.77-3-1; 133.69-1-2; 133.-3-7) in the City of Rensselaer, Rensselaer County, New York (the “Land”), together with eight (8) pre-existing historic mill-buildings (the “Facility”), (2) the reconstruction, renovation and rehabilitation of the Facility, and (3) 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 and operated by the Company as a mixed-use facility containing approximately 78,286 square feet of space for market-rate residential apartment space and 19,996 square feet of commercial space, 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.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Rensselaer County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency’s uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: John J. Bonesteel, Chief Executive Officer, City of Rensselaer Industrial Development Agency, 62 Washington Street, Rensselaer, New York 12144; Telephone: (518) 860-2082; E-mail: jack.bonesteel@rensselaer.ny.gov.

Dated: September 14, 2022.

CITY OF RENSSELAER INDUSTRIAL
DEVELOPMENT AGENCY

BY: /s/ John J. Bonesteel
Chief Executive Officer

1 APPEARANCES:

2 BOARD MEMBERS:

3 MICHAEL E. STAMMEL, MAYOR - CHAIRPERSON

4 JOHN DEFRANCESCO, VICE CHAIR/COMMON COUNCIL

5 PRESIDENT

6 HON. ANDREW P. KRETZSCHMAR, MEMBER

7 HON. RAY STEVENS, PLANNING COMMISSION

8 CHAIRPERSON (Via VC)

9

10 STAFF MEMBERS:

11 JOHN J. BONESTEEL, CEO/TREASURER

12 CHRISTOPHER C. CANADA, ESQ. - BOND COUNSEL

13 SHANNON E. WAGNER, ESQ., SPECIAL COUNSEL

14 MADELINE RIZZO, EXECUTIVE ASSISTANT TO CEO

15

16

17

18 ALSO PRESENT:

19 O/B/O BBL BARNETT LLC:

20 STEVE OBERMAYER, CFO

21 TIM LYNN, ESQ. (Via VC)

22

23

24

25

1 MR. STAMMEL: I'm Michael
2 Stammel, Chairman of the Rensselaer
3 City Industrial Development Agency.

4 We are starting this meeting
5 at about 4:04 p.m. here in the city
6 of Rensselaer for the purpose of a
7 public hearing.

8 Would you, Mr. Bonesteel,
9 please proceed with the public
10 notice?

11 MR. BONESTEEL: Sure.

12 Good afternoon. My name is
13 John Bonesteel. I'm the chief
14 executive officer of the City of
15 Rensselaer Industrial Development
16 Agency speaking in connection with
17 the project which is the subject of
18 this public hearing.

19 Today we're holding this
20 public hearing to allow citizens to
21 make a statement for the record
22 relating to the involvement of the
23 Agency with a project, the Proposed
24 Project, for the benefit of BBL
25 Barnett LLC, the Company, a New York

1 State limited liability company.

2 The Proposed Project consists
3 of the following:

4 A(1), the acquisition of an
5 interest in a certain parcel of land
6 containing approximately 6.52 acres
7 located at 11 Forbes Avenue and 20
8 Forbes Avenue, tax map numbers
9 133.77-3-1, 133.69-1-2, 133.-3-7, in
10 the City of Rensselaer, Rensselaer
11 County, New York, that's the Land,
12 together with eight pre-existing
13 historic mill buildings, known as
14 the Facility;

15 2, the reconstruction,
16 renovation, and rehabilitation of
17 the facility, and the acquisition
18 and installation therein and thereon
19 of certain machinery, equipment, and
20 other tangible personal property,
21 collectively the Equipment, the
22 Land, the Facility, and the
23 Equipment being collectively
24 referred to as the Project Facility,
25 all of the foregoing to be owned and

1 operated by the Company as a
2 mixed-use facility containing
3 approximately 78,286 square feet of
4 space for market-rate residential
5 apartment space and 19,996 square
6 feet of commercial space, and any
7 other directly and
8 indirectly-related activities;

9 B, the granting of certain
10 financial assistance, within the
11 meaning of Section 85(414) of the
12 Act, with respect to the foregoing,
13 including potential exemptions from
14 certain sales and use taxes, real
15 property taxes, real estate transfer
16 taxes, and mortgage recording taxes,
17 collectively the Financial
18 Assistance; and

19 C, the lease with an
20 obligation to purchase or sale of
21 the Project Facility to the Company
22 or such other person as may be
23 designated by the Company and agreed
24 upon by the Agency.

25 I intend to provide general

1 information on the Agency's general
2 authority and public purpose to
3 provide assistance to this Proposed
4 Project. I will then open the
5 comment period to receive comments
6 from all present who wish to comment
7 on either the Proposed Project or
8 the Financial Assistance
9 contemplated by the Agency with
10 respect to the Proposed Project.

11 However, before discussing the
12 general information and opening the
13 hearing for public comments, I would
14 like to first describe some details
15 regarding the Proposed Project as
16 outlined in the application.

17 In the application, the
18 Company has represented the
19 following:

20 1, that the Project will
21 create at least 275
22 full-time-equivalent construction
23 jobs during construction of the
24 Project Facility. Further, the
25 project will create 16 full time

1 equivalent jobs following the fifth
2 year of operation of the Project
3 Facility. The creation of these
4 jobs will increase local tax revenue
5 and consumer spending in the
6 community;

7 2, that the Company would not
8 undertake the project without the
9 assistance being offered by the
10 Agency;

11 3, that the Company
12 understands and recognizes that the
13 assistance being offered by the
14 Agency is subject to claw-back under
15 the Agency's uniform criteria for
16 project evaluation policy if the
17 Company does not complete the
18 project or maintain the required
19 employment levels.

20 The estimated costs of the
21 Proposed Project are equal to
22 \$23,787,027, and the benefits being
23 considered by the Agency are
24 described briefly as follows:

25 1, a sales tax exemption

1 estimated to equal \$939,291;

2 2, a mortgage recording tax

3 exemption estimated to equal

4 \$166,639;

5 3, real property tax exemption

6 estimated over 13 years to be

7 \$2,343,750.

8 The PILOT abatement schedule

9 is determined in accordance with the

10 Agency's Uniform Tax Exemption

11 Policy.

12 Please note the following with

13 respect to the proposed PILOT

14 structure:

15 1, real property tax exemption

16 is being considered for the

17 construction thereon of an

18 approximately 98,282 square foot

19 mixed-use facility;

20 2, under the PILOT structure,

21 the amount of existing property

22 taxes being paid with respect to the

23 project site will not be decreased;

24 3, the Company has applied for

25 the 13-year PILOT structure under

1 the Agency's Uniform Tax Exemption
2 Policy. If the Company qualifies
3 for such schedule, the schedule
4 provides for a 100 percent exemption
5 in years one through eight with the
6 amount of the abatement diminishing
7 by 20 percent per year starting in
8 year nine and continuing until year
9 twelve. In year thirteen, the
10 project will be paying an amount
11 equal to full property taxes.

12 The thirteen-year PILOT
13 structure does not provide any
14 abatement to the Company for special
15 district charges such as water or
16 sewer charges. The Company is
17 responsible for paying the full
18 amount of such charges.

19 Lastly, under the IDA
20 documents, the Company will be
21 subject to recapture of the
22 financial assistance upon the
23 occurrence of certain recapture
24 events. Examples of recapture
25 events include the failure to

1 complete the Proposed Project and
2 make the promised investment and
3 maintenance of the promised job
4 levels.

5 The provisions of Chapter 1030
6 of laws of 1969 of New York
7 constituting Title I of Article 18-A
8 of the General Municipal Law,
9 Chapter 24 of the consolidated laws
10 of New York as amended, and Chapter
11 235 of the 1974 laws of New York as
12 amended, constituting Section 903(c)
13 of said General Municipal Law,
14 collectively the Act, authorize the
15 Agency to promote, develop,
16 encourage, and assist in the
17 acquiring, constructing,
18 reconstructing, improving,
19 maintaining, and equipping, and
20 furnishing of manufacturing,
21 warehousing, research, commercial
22 and industrial facilities, among
23 others.

24 Pursuant to Section 859(a)(2)
25 of the Act, prior to the Agency

1 providing any financial assistance,
2 as defined in the Act, more than
3 \$100,000 to any project, the Agency,
4 among other things, must hold a
5 public hearing pursuant to
6 Section 859(a) of the Act with
7 respect to said project.

8 Since the proposed financial
9 assistance to be provided by the
10 Agency with respect to the Proposed
11 Project may exceed \$100,000, prior
12 to providing any financial
13 assistance, as defined in the Act,
14 of more than \$100,000 to the
15 Proposed Project, the Agency must
16 hold a public hearing on the nature
17 and location of the Project Facility
18 and the Proposed Financial
19 Assistance to be provided by the
20 Agency with respect to the Proposed
21 Project.

22 After consideration of the
23 application received from the
24 Company, the members of the Agency
25 adopted a resolution, on

1 August 22nd, 2022, the public
2 hearing resolution, authorizing the
3 Agency to conduct this public
4 hearing with respect to the Proposed
5 Project pursuant to
6 Section 859(a)(2) of the Act.

7 By way of background, notice
8 of this public hearing was published
9 on September 16th, 2022, in The
10 Record, a newspaper of general
11 circulation available to the
12 residents of the City of Rensselaer,
13 Rensselaer County, New York.

14 In addition, as required by
15 New York State law, the notice of
16 this public hearing was mailed on
17 September 15, 2022, to the affected
18 tax jurisdictions, and B, was posted
19 on September 15, 2022, on a public
20 bulletin board located at 62
21 Washington Street in the City of
22 Rensselaer, Rensselaer County,
23 New York, and on the Agency's
24 website.

25 Copies of the notice of this

1 public hearing are available on the
2 table.

3 Now, unless there is any
4 objection, I'm going to suggest
5 waiving the full reading of the
6 notice of this public hearing and,
7 instead, request that the full text
8 of this notice of the public hearing
9 be inserted into the record of this
10 public hearing.

11 The comments received today at
12 this public hearing will be
13 presented to the members of the
14 Agency at or prior to the meeting at
15 which the members of the Agency will
16 consider whether to approve the
17 undertaking of the Proposed Project
18 by the Agency and the granting by
19 the Agency of any financial
20 assistance in excess of \$100,000
21 with respect to the Proposed
22 Project.

23 The Agency currently intends
24 to consider the Proposed Project at
25 the meeting of the Agency to be held

1 on October 24, 2022. This meeting,
2 like all meetings of the Agency,
3 will be open to the public.

4 Let's see, I'm just...

5 If a representative of the
6 Company is present at the hearing,
7 which there is, I'll introduce him,
8 Steve Obermayer, if he'd like to
9 make comments.

10 Steve, do you care to make any
11 comment with regard to the project?

12 MR. OBERMAYER: My only
13 comment is that I think this would
14 be a wonderful community asset and
15 help transform the city of
16 Rensselaer and its endeavors.

17 MR. BONESTEEL: Thank you,
18 Steve. Agreed.

19 By way of operating rules,
20 others wishing to make public
21 comment, just raise your hands and
22 I'll call on you. Please wait to be
23 recognized, and once recognized,
24 stand and state your name and
25 address for the record.

1 When everyone has had an
2 opportunity to speak, I'll conclude
3 the public hearing. A record of the
4 public hearing will be prepared and
5 reviewed by the members of the
6 Agency in connection with the
7 Agency's consideration of the
8 Proposed Project.

9 Again, the purpose of this
10 public hearing is to solicit public
11 comment. We're not here to answer
12 questions; however, we will, in the
13 course of the public hearing,
14 consider questions if we have the
15 information to answer the questions
16 and there is sufficient time to
17 answer or to consider such
18 questions.

19 I'll now ask if there's anyone
20 else in attendance who wishes to
21 comment on either the nature and
22 location of the Project Facility or
23 the proposed Financial Assistance
24 being contemplated by the Agency
25 with respect to the Proposed

1 Project. If there is, for the
2 record, please state your name and
3 indicate your comments on either the
4 Proposed Project or the proposed
5 Financial Assistance being
6 contemplated by the Agency with
7 respect to the Proposed Project.

8 There being no one here, we'll
9 keep the meeting open until -- I
10 think we opened at 4:04,
11 Mr. Chairman.

12 MR. STAMMEL: Right.

13 MR. BONESTEEL: So we'll keep
14 the meeting open until 4:19.

15 MR. STAMMEL: Just for the
16 record, I'd like to take this
17 opportunity as, not only the
18 chairman of the City of Rensselaer
19 Industrial Development Agency, but
20 as mayor of the City of Rensselaer
21 to thank Mr. Obermayer for moving
22 this project forward for the
23 Rensselaer City IDA. And obviously,
24 I think it's going to be a great
25 improvement, as you said, not only

1 for the city, but for the riverfront
2 and for those people who visually
3 have had to look at that side of the
4 river from the opposite side of the
5 river for years to come and see
6 nothing but an abandoned warehouse.
7 I think this will be something that
8 will be a diamond in the rough very
9 soon, and I want to thank you, Jack,
10 for all your hard work bringing this
11 forward as well.

12 MR. BONESTEEL: Thank you.
13 All the credit goes to the project
14 owners.

15 MR. OBERMAYER: We're excited.

16 MR. STAMMEL: With that being
17 said, do we have anybody in the
18 public there other than the two
19 people?

20 MR. KRETZSCHMAR: No comments
21 made on Facebook.

22 MR. STAMMEL: We're a patient
23 bunch.

24 MR. BONESTEEL: Another five
25 minutes.

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* * *

(The record remains open for
public comment.)

* * *

MR. DEFRANCESCO: Well, my
name is John DeFrancesco, Common
Council president, and I live at
1453 3rd Street, Rensselaer,
New York.

And I'd like to thank the
developer and wish him the best.
We've been waiting quite some time
for -- patiently waiting for
something, and this looks like the
start of something that could open
up that whole area. We appreciate
it and thank you very much.

MR. OBERMAYER: And we've done
similar projects to that, so we have
a lot of confidence, not only
completing it, but, you know, like I
said earlier, being a real community
asset for the city.

And, Mayor, you mentioned the
water front.

1 MR. STAMMEL: Sure, without a
2 doubt. The waterfront would -- this
3 would eventually connect, obviously,
4 with the riverfront trail. We are
5 working on a project now with the
6 State of New York to provide the
7 trail to connect with our Riverfront
8 Park from your location, so that
9 would add to that. And I would hope
10 in the future moving north as far as
11 Troy with all the open area that we
12 have there in conjunction with
13 working with the City of Troy,
14 Rensselaer County, and RPI, which
15 are all landholders.

16 * * *

17 (The record remains open for
18 public comment.)

19 * * *

20 MR. BONESTEEL: It is now
21 4:19. There being no further
22 comments, I'll close this public
23 hearing.

24 Thank you all for attending.

25 (Time noted: 4:19 p.m.)

1 SHORTHAND REPORTER CERTIFICATION

2 STATE OF NEW YORK:
3 COUNTY OF SARATOGA:

4 I, BRENDA J. O'CONNOR-MARELLO, a certified
5 shorthand reporter of the State of New York, do
6 hereby certify:

7 That the proceedings within was taken before
8 me at the time and place herein set forth; that
9 any witnesses in the foregoing proceedings prior
10 to testifying were duly sworn; that a record of
11 the proceedings was made by me using machine
12 shorthand, which was thereafter transcribed
13 under my direction and supervision; that the
14 foregoing transcript is a true record of the
15 testimony given.

16 Further, that if the foregoing pertains to
17 the original transcript of a deposition in a
18 federal case, before completion of the
19 proceedings, review of the transcript [] was
20 [] was not requested.

21 I further certify I am neither financially
22 interested in the action nor a relative or
23 employee of any attorney or party to this
24 action.

25 Dated: September 26, 2022



21 BRENDA J. O'CONNOR-MARELLO, CSR
22 NYS License No.: 001088-1

23 Notary Public, State of New York.
24 Qualified in Saratoga County
25 Commission Expires: April 4, 2026