

City of Amsterdam



Industrial Development Agency 2014- 2015 Progress Report

November 2014

The information contained within will provide a brief snapshot of the current AIDA programs, projects and progress made during the current mid-year fiscal year.

2014-2015 Progress Report

AIDA Finances

The 2014-2015 AIDA Adopted Budget is approximately 7.89% higher than the previously adopted 2013-2014 Budget. This was primary due to costs budgeted for building maintenance and improvements and modest salary increases. In all other categories, the current year budget mimics that of last year with no major exceptions.

During 2014, AIDA's fund balance was drastically reduced to pay for building improvements primary associated with the reconstruction of 44-46 East Main Street. Of the \$515,000 spent on the building's reconstruction, \$240,000 of Agency reserves was spent. An additional \$155,000 was borrowed from the Capital District Community Loan Fund and the balance was from a grant from the Amsterdam Urban Renewal Agency. In addition, the Agency spent a 33% more on legal fees during the course of the year - primarily on three areas: eminent domain proceedings related to the Mohasco Site Redevelopment, re-capture of grant funds, and delinquent commercial rentals.

The outlook for 2014-2015 looks more positive. It is anticipated that the NYS Empire State Development will reimburse AIDA for \$225,000 associated with the redevelopment of 44-46 East Main Street. In addition, the NYS Department of State has also indicated that additional grant funds for the project may be approved. Finally, additional rental income is projected from a renegotiated lease with Breton Industries, a new lease with AGT Services for property previously leased by PCT (at a higher income level) and new income from the rental of space for both commercial and residential tenants of the recently renovated 44-46 East Main Street.

With the addition of new rental income from 44-46 East Main Street, and increased rents from recently renegotiated leases with Beckmann Industries, Breton, and AGT Services, it is projected for the first time in over a decade that the Agency will be able to meet its operating budget without depleting any more of the Agency's fund balance.

All State of New York Comptroller's Annual Reports were filed on time

The 2014 Independent Audit was also completed on time and contained no findings.

AIDA Loan Portfolio:

Current Loans Include: Parillo's Restaurant

Amount: \$27,000
Terms: 6 years, 3.25% interest Payment: \$263.84
Start: 3/15/11 End: 2/15/17
Balloon Payment: \$12,091.80

Vida-Blend

Amount: \$75,000
Terms: 5 years, 3.25% Payment: \$1356.00
Start: 11/20/12 End: 12/20/17

A&M Cleaners

Amount: \$15,000
Terms: 5 years, 3.25% Payment: \$265.98
Start: 6/15/12 End: 5/15/17

Emma Lou's Diner

Amount: \$27,000
Terms: 6 years, 3.0% Payment: \$400.00
Start: 5/15/12 End: 4/15/17

Note: Emma Lou's Loan Contains an option to purchase

Shorty's Restaurant

Amount: \$50,000
Terms: 5 years @ 3.75% Payment: \$915.20
Start: August 2013 End: July 2018

New Grants

Mohawk Architectural Aluminum Products

\$1.5 million RESTORE NY Grant from ESD

Mohawk Architectural Aluminum Products specializes in the manufacture of windows for office buildings, primarily in the New York Metropolitan Area. Previously, the NYS Office of Homes and Community Renewal awarded a \$665,000 grant to the City for the company to purchase equipment to assist them in furnishing a new manufacturing facility in the City of Amsterdam. The total project cost is estimated to be approximately \$5.5 million. The company will employ 50 workers within the first 18 months of operations.

During the past year, staff have been working with NYS Empire State Development to reallocate a grant from 2007 toward this project. ESD has approved allowing \$1.5 million of this grant to be used by Mohawk Architectural.



\$ 85,000 Grant Applied for on Behalf Of Beckmann Converting

AIDA has applied for funding on behalf of Beckmann Converting to the NYS Office of Homes and Community Renewal for funding to install perimeter fencing and the reconstruction of a boiler room and roof.



Total Grants Administered By AIDA: \$3,235,000

<i>Company</i>	<i>Funding Source</i>	<i>Grant Amount</i>	<i>Total # of Jobs</i>
Embassy Millworks	NYS DHCR	\$ 205,000	NA
Mohawk Architectural	NYS ESD	\$ 1,500,000	50
Mohawk Fabric	NYS DHCR	\$ 130,000	15
Mohawk Fabric	NYS ESD	\$ 45,000	
44-46 East Main Street	AURA	\$ 120,000	5
44-46 East Main Street	NYS DOS	\$ 200,000	
44-46 East Main Street	NYS DED	\$ 225,000	
Mohawk Architectural	NYS DHCR	\$ 665,000	
Vida-Blend, Inc.	NYS DHCR	\$ 26,000	15
GIANT Solutions	NYS DHCR	\$ 50,000	11
GIANT Solutions	NYS DED	\$ 30,000	
Amster. Overhead Door	National Grid	\$ 14,000	3
Russo's Restaurant	National Grid	\$ 25,000	5
Totals		\$ 3,235,000	104

AIDA Real Estate Leases

1 Sam Stratton Drive

Tenant: Breton Industries Current Number of Jobs: 100
Rent: \$2,600/month
Dates: 9/1/14-8/30/19

5 Sam Stratton Drive

Tenant: AGT Services Current Number of Jobs: 65
Rent: \$5,250/month
Dates: 9/1/14-8/30/19

24 Sam Stratton Drive

Tenant: AGT
Rent: \$500 /month
Dates: 7/16/08 – 6/15/23

24 Park Street

Tenant: Beckman Converting Current Number of Jobs: 24
Rent: \$4,375/month
Dates: 6/1/13 – 5/31/18

30-32 East Main Street

Tenant: Wrestling Hall of Fame
Rent: \$1/year

2 Chuctanunda Street

Tenant: Emma Lou's Diner
Rent: \$400/month
Dates: 6/1/12-5/31/18

44 East Main Street

Ground Floor: Amsteden Bakery: \$800 per month
2nd Floor Residential: \$750 per month

46 East Main Street

Ground Floor: Ronco Construction : \$800 per month

2nd Floor Residential: \$750 per month

3rd Floor: Ronco Construction \$700 per month through November 2014

Total Number of Manufacturing Jobs: 189

Total Number of Jobs AIDA Is Responsible for: 293

Improvements to Buildings

- AIDA has undertaken a major restoration of 44-46 East Main Street in downtown Amsterdam commencing in the spring of 2013.
- AIDA is anticipating installing a perimeter fence around Beckmann's Industry for homeland security concerns. In addition, major capital improvements are planned to the boiler room including a new roof.

Payment in lieu of Taxes

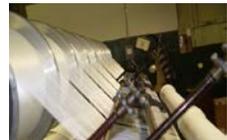
The following companies currently have payment in lieu of tax agreements with AIDA:

AGT – Currently at 40% of building assessment

Power and Composite Technologies – Currently at 30% of building assessment

A PILOT Agreement with **Bad Ponder** (previously Mohawk Fabrics) which took effect the spring of 2013.

A second PILOT Agreement with Bad Ponder was also took effect during 2014.



Payments for real estate taxes, water and sewer fees are paid by each company directly AIDA monthly and then passed through to the various taxing jurisdictions.

Downtown Revitalization

Building Acquisition

AIDA has acquired **44 and 46 East Main Street** and **2 Chuctanuda Street** in downtown Amsterdam. In addition, AIDA owns **24-26 East Main Street** and **30-32 East Main Street** in downtown Amsterdam. AIDA is one of the largest property owners in Downtown Amsterdam.

Building Renovations

- 44-46 East Main Street is undergoing a complete rehabilitation which commenced during the spring of 2013.
- 24-26 East Main Street and 30-32 East Main Street received a complete exterior repainting.



Empire Zone Certified Businesses

At the request of the City of Amsterdam Administration, AIDA has agreed to take on the daily administration of the Empire Zone Program required by New York State.

Information on new procedures as well as a questionnaire were sent to some 75 businesses located within the Amsterdam-Florida-Glen Empire Zone.

Currently, all data collected from Empire Zone Certified Businesses will be reviewed by the State and AIDA will followup with the State on any questions or concerns.

Bond Issuances

AIDA currently has one outstanding bond issue done in conjunction with equipment purchases for **Noteworthy Industries, Inc.** The original bond was issued in December 2007 for \$1.4 million. ***The outstanding balance as of June 30, 2012 was \$342,991.*** The final maturity date is December 2014

In addition to the conventional bond issue noted above, AIDA also issued a bond note for **AGT Services** in the amount of \$1.4 million issued in July 2008. This is carried as a loan from Key Bank and end in June 2023.

New Projects:

Mohasco Site Development

The redevelopment of the Mohasco Site has been a project the City of Amsterdam has been working on for the past 17 years. It was listed as a priority project in the City's Master Plan, the subject of federal and state environmental cleanup programs, the site chosen by the City for a State data center, and marketed by the City as an industrial park.

In February 2014, the City authorized the transfer of all of its municipally owned properties to AIDA. Since then, AIDA has initiated an eminent domain proceeding against adjoining property owners to fill in gaps in the redevelopment parcel.

AIDA has also secured some \$1.76 million in state financing to assist with its redevelopment.



Gas Turbine Cluster Development

AIDA has worked with several companies which are directly involved in turbine engine reconstruction including Power Generation and Composite Engineering (PCT), AGT Services, and Rayco of Schenectady. AIDA has been working to enhance the capabilities of these companies, and look to attract new and related companies in the turbine industry.

AIDA – Owned Properties

- A. The Agency, as of June 30, 2013, does not have any properties that it intends to dispose of having an estimated fair market value in excess of \$15,000.
- B. The Agency, as of June 30, 2013, has ownership in the following properties:

<u>Property Location</u>	<u>Estimated Fair Market Value As of June 30, 2013</u>
1. Locust and Park	\$4,348
2. Off Morris	870
3. 46-48 Lark Street	10,870
4. Edson Street Extension	44,780
5. Edson Street	3,620
6. 362 East Main Street	3,900
7. 48 John Street	725
8. 46 John Street	725
9. 44 John Street	1,000
10. Sam Stratton Drive	144,920
11. Sam Stratton Road	550,700
12. Park Drive	940,000
13. 7 Dandreano Drive	326,000
14. Sam Stratton Drive	28,990
15. RR Second Avenue	71,000
16. Fourth Avenue	7,240
17. Kellogg	2,900
18. RR, Kellogg-East	66,670
19. Fredrick Street Rear	220
20. Fredrick Street Rear	220
21. Fredrick Street Rear	6,500
22. Edson Street	3,600
23. 30-32 East Main Street	111,870
24. Power Station (Lower Mills)	43,480
25. 24-26 East Main Street	54,430
26. Sam Stratton Drive	1,086,960
27. 2 Chuctanunda Street	50,725
28. 44-46 East Main Street	249,085
29. Church Street	14,490

In addition, the Agency, during the fiscal year ended June, 2012, did not dispose of any properties that had an estimated fair market value in excess of \$15,000.

Amsterdam Industrial Development Agency

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