

MINUTES OF PUBLIC HEARING FOR
YOUNG MEN'S CHRISTIAN ASSOCIATION PROJECT
APRIL 26, 2005

The public hearing held pursuant to Section 859-a(2) of the General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended, was convened at 7:00 p.m. on April 26, 2005 in the Auditorium of the Town of Bethlehem Office Building located at 445 Delaware Avenue, Delmar, Albany County, New York.

Mr. George Leveille, Chairman of the Town of Bethlehem Industrial Development Agency, opened the public hearing at 7:00 p.m.

GEORGE LEVEILLE: I have here an affidavit of publication in The Spotlight. We've also notified all the other taxing jurisdictions of the public hearing. I'm not going to read the public hearing notice. In a nutshell the public hearing is for purposes of the IDA to consider an increase in the principal amount of the bonds to be issued on behalf of the YMCA of the Capital District for the project facility previously financed by the IDA from \$5,000,000 to \$7,750,000 and I will ask that the legal notice be put into the official record of the meeting.

I thought we'd open up the hearing with Barry Relyea from the YMCA to just give a very brief overview of the proposed change that we're considering tonight.

BARRY RELYEA: I'm Barry Relyea, Vice President of the Capital District YMCA. Everybody knows that we purchased the BIG Arena on Delaware Avenue and at this point after closing on the property we also rehabbed the second floor and made a fitness center and aerobics studio there. That was the extent of Phase I of our renovation of the property. Phase II includes a lot more work, a lot more investment on our part in that facility. Basically it will be taking the second ice rink that has been out of operation except for some small kids' programs that have been in there on the temporary floor. We'll be making that space into a gymnasium, a full double gymnasium with a running track around it, five locker rooms and a swimming pool in the center. That is the project that we are working on now; it has been in concept design over the last 2 or 3 months. We've finished the concept, we have a pretty good idea of what we're doing and now we're ready to turn the architects and the engineers loose to start. We have meetings set up for Thursday and Friday of this week and once the plans are put in a more formal fashion than they are right now we will have a site plan for approval and a building plan for approval.

GEORGE LEVEILLE: Great. Thank you very much. Mr. Scott, it might be helpful if you just gave us a brief overview of why we're required to hold a public hearing on this proposed amendment.

JOSEPH SCOTT: Yes. As the members may recall we already held a public hearing on the project that was held on Monday, July 26 of 2004 with essentially the same description of the project but at that time the bond amount was estimated to be \$5,000,000. The Company has since revised its estimate of the design and construction costs and the actual cost of the project is going to be more. We had to redo the notice of public hearing because under federal tax law and the state law you need to hold a public hearing with respect to the project if you've made significant changes in the principal amount of the bonds listed in the public hearing notice. You need to hold a public hearing on that new bond amount in order to meet the state law and federal tax law for public hearing purposes.

GEORGE LEVEILLE: Great. Thank you very much Mr. Scott.

At this time I'd like to see if anyone would like to make a comment on this for the IDA.

MARIE CAPONE: Oh yes. Is there still an agreement with the River Rats for the coming year?

BARRY RELYEA: We do that one year at a time.

GEORGE LEVEILLE: O.K.

BARRY RELYEA: Our agreement with them is for one year at a time.

GEORGE LEVEILLE: O.K. And you're currently under a one-year agreement?

BARRY RELYEA: Yes.

GEORGE LEVEILLE: O.K. Would anyone else like to speak with regard to this proposed amendment? Any IDA members like to ask any questions or....o.k. Mr. Scott...

JOSEPH SCOTT: I would like to make sure that the Agency has not received any correspondence or any written notices or written comments or questions with respect to the proposed project. If so, we should enter those written comments into the record.

GEORGE LEVEILLE: I'm not aware of having received any. I'm not sure...Sheila, have you received any?

SHEILA KRAUS: No.

GEORGE LEVEILLE: Are there any other comments from the general public?

MARIE CAPONE: There are some beautiful things.... I'm very pleased.

GEORGE LEVEILLE: Thanks. That's good. O.K. Not hearing any further comment I'd like to get a motion to close the public hearing.

JUDITH KEHOE: So moved.

DAVID PETRAGLIA: Seconded.

GEORGE LEVEILLE: The Public Hearing is now closed. Thank you.

The public hearing was closed at 7:08.

SCHEDULE A

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") and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Town of Bethlehem Industrial Development Agency (the "Agency") on the 26th day of April, 2005 at 7:00 o'clock p.m., local time, in the Auditorium at Town Hall, 445 Delaware Avenue, Delmar, in the Town of Bethlehem, Albany County, New York, in connection with the following matters:

The Young Men's Christian Association of the Capital District (the "Company") has presented an application, including a cost benefit analysis (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately twenty-seven (27) acre parcel of land located at 900 Delaware Avenue in the Town of Bethlehem, Albany County, New York (the "Land"), together with two (2) existing ice rinks (collectively, the "Facility"), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (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 health, fitness and recreation facility and any other directly or indirectly related activities; (B) the consent by the Agency of an assignment of a certain lease agreement dated as of October 21, 1999 (the "BIG Lease") by and between the Agency and Bethlehem Ice Group, LLC ("BIG") from BIG to the Company and the termination of related documents entered into by the Agency in connection with the execution and delivery of the BIG Lease, (C) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to not exceed approximately \$5,000,000 (the "Bonds"); (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes, mortgage recording taxes and real property taxes (collectively with the Bonds, the "Financial Assistance"); and (E) 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, by resolution duly adopted on July 26, 2004 (the "Inducement Resolution"), indicated its approval of the Project and offered, subject to certain conditions, to assist in the acquisition, renovation, reconstruction and installation of the Project Facility and to assist in

financing such acquisition, renovation, reconstruction and installation of the Project Facility by the issuance of the Bonds.

Subsequently, the Company has requested the Agency to amend the Inducement Resolution in order to increase the principal amount of the Bonds to be issued by the Agency to assist in financing the Project Facility from \$5,000,000 to \$7,750,000.

The Agency is considering whether to amend the Project and increase the principal amount of the Bonds to be issued by the Agency from \$5,000,000 to \$7,750,000. If the Agency determines to proceed with the Project, as amended, and to issue the increased principal amount of the Bonds, (A) the Project Facility will be acquired, renovated, 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 payments equal to debt service on the Bonds and make certain other payments and (B) the Bonds will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE TOWN OF BETHLEHEM, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE TOWN OF BETHLEHEM, NEW YORK SHALL BE LIABLE THEREON.

The Agency has not completed its review of the Project pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6NYCRR Part 617, as amended (the "Regulations", and collectively with the SEQR Act, "SEQRA"). After the Agency completes its review under SEQRA, it expects to be able to adopt a resolution determining that the Project will not have a significant effect on the environment.

The Agency will at said time and place hear all persons with views on either the location and nature of the Project, as amended, and the financial assistance being contemplated by the Agency in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Bonds. A transcript or summary report of the hearing will be made available to the Town Board of the Town of Bethlehem, New York. Approval of the issuance of the Bonds by the Town of Bethlehem, acting through its elected Town Board, is necessary in order for the interest on the Bonds to qualify for exemption from federal income taxation.

Dated: March 15, 2005.

TOWN OF BETHLEHEM INDUSTRIAL
DEVELOPMENT AGENCY

By: /s/George E. Leveille
Chairman

SCHEDULE B

RECORD OF ATTENDANCE AT PUBLIC HEARING

IDA BOARD MEMBERS:

Present

Judith Kehoe
George Leveille
Pamela Robbins
Frank Venezia
David Petraglia

Absent

Sam Messina

OTHERS PRESENT:

Sheila Krauss, Clerk
Tom Connolly, Counsel
Joe Scott, Bond Counsel
Tim Hollis, Bond Counsel
Barry Relyea, YMCA
Theresa Egan, Town Supervisor
Marie Capone, Citizen
Suzanne Capone, Citizen
Marty Delaney, Citizen
Bob Jursinski, Citizen