

George E. Leveille
Chairman

Frank S. Venezia
Vice-Chairman

Judith E. Kehoe
Treasurer

Sam Messina
Secretary

David A. Petraglia
Assistant Secretary

Pamela C. Robbins
Robert B. Ward

TOWN OF BETHLEHEM
Albany County - New York
INDUSTRIAL DEVELOPMENT AGENCY
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MINUTES OF THE REGULAR MEETING

October 18, 2005

The meeting of the Town of Bethlehem Industrial Development Agency was convened in public session on Tuesday, October 18, 2005 at the Bethlehem Town Hall, Delmar, New York.

Board Members Present

George Leveille, Chairman
Judith Kehoe
Frank Venezia
Sam Messina
David Petraglia
Robert Ward
Pam Robbins

Board Members Absent

None

Others

Tom Connolly, Esq.
Sheila Krauss
Joe Scott
Theresa Egan
Marie Capone
Robert Jasinski
Garry Kearns
Kevin Kearns

The meeting was called to order by Mr. Leveille at 7:30 AM.

A motion was made by Ms. Kehoe to approve the minutes for September 20, 2005. This was seconded by Mr. Ward and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Ms. Kehoe Mr. Messina Mr. Petraglia Ms. Robbins	Mr. Leveille Mr. Venezia Mr. Ward	None	None

A motion was made by Mr. Venezia to approve the minutes of the August 23, 2005. This was seconded and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Mr. Ward Mr. Messina	Ms. Kehoe Ms. Robbins Mr. Petraglia	None	None

A motion was made by Mr. Venezia to approve the minutes of the July 29,2005 meeting. This was seconded by Mr. Ward and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Mr. Ward Mr. Petraglia Ms. Robbins Mr. Messina	Ms. Kehoe	None	None

The next item was an application for refinancing for American Housing Inc. (Van Allen Senior Apartments). A memorandum from First Albany Corporation describing the transaction was provided. Mr. Garry Kearns gave a brief overview of the project.

- Completed initial financing in 1999 with an interest rate of 6.875 %.
- Construction completed in 2000.
- Provide affordable housing for seniors – currently fully occupied. Rents are based on tenants’ income as it relates to the median income in the community.
- Operating expenses have gone up. To alleviate a rent increase they would like to decrease debt service - save \$10,000.00 by reducing the interest rate to around 4%.
- Proceeds from new bonds will be used to fund the escrow to cover the redemption of the old bonds in order to take advantage of the current lower interest rates.
- Qualifies for 501 C 3 not for profit status.

Resolution 17-2005 A motion was made by Ms. Kehoe approve the application for refinancing for American Housing LLC. This was seconded by Mr. Venezia and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Ms. Kehoe Mr. Ward Mr. Petraglia Ms. Robbins Mr. Messina	None	None	None

Mr. Scott gave an overview of the Inducement Resolution for the Van Allen Senior Apartment Project. The proposed bond amount is 7.5 million dollars. Mr. Scott advised adjusting this amount up to 8 million dollars to give flexibility in the process. The Inducement Resolution is the standard resolution to get the process moving. The IDA fees will be \$37,500.00.

Resolution 18-2005 A motion was made by Ms. Kehoe to approve the Inducement Resolution as amended by Mr. Scott to take official action toward the issuance of civic facility revenue bonds in an amount sufficient to finance a civic facility project for Van Allen Senior Apartments and authorizing the execution and delivery of a preliminary agreement with respect to such financing. This was seconded by Mr. Ward and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Ms. Kehoe Mr. Ward Mr. Petraglia Ms. Robbins Mr. Messina	None	None	None

The next item is the Plasticware LLC project. Mr. Leveille gave an overview of the project.

- Property is on West Yard Road – formerly Daiseytek. Plasticware LLC has an option to buy for 11 million dollars.
- Company to manufacture disposable plastic utensils, plates, cups etc. with the use of polypropylene
- Will employ 79 people in first year and 200 by year four
- Total project cost is approximately 50 million dollars
- Project 200 employees over four years
- The project has been approved by Albany County for Empire Zone designation
- Have submitted preliminary application

A brief discussion of civic facility revisions and public authority reform was led by Mr. Scott. The civic facility legislation is slated to expire in June, 2006. Last year the legislation was given an extension of one year. The public authorities reform has been passed by the legislature but not yet signed by the Governor.

The strategic planning will consist of two meetings. The first is on October 27th at 8 AM and will cover background information. Mr. Richardson will speak about regional technology and marketing. The next meeting will be held on November 22nd at 8 AM and will emphasize the development of future strategic priorities and an action plan.

The next item is the 2006 budget reviewed by Ms. Kehoe. The current assets are \$632,170 all in cash. There are no current debts outstanding. The revenues and expenditures were reviewed. There is a significant overage on the revenues as well as an under budget position on the expenditures. Ms. Kehoe proposed to transfer \$68,000 of the under expended amounts to the town in this current year in support of staff work, consulting services and planning, and the economic development effort. This amount is proposed to increase to \$200,000 in 2006. The IDA will retain enough resources to cover its base operating expenses and any future transfers would be subject to availability based on the IDA's receipt of project fees.

The next item was an update on the Vista Technology Campus. They may be filing an application by the November meeting and may be looking for an Inducement Resolution. They may not be able to realize the benefits of the Empire Zone so they may be looking for a PILOT. A construction start date of Labor Day of 2006 is anticipated.

A brief discussion on the rules for IDA assistance for retail projects was led by Mr. Connolly. A retail project would be eligible for IDA assistance if it is near a distressed district as determined by the census. Several areas in the town qualify - the 9W and Rt. 144 corridors. Assisting retail projects has not been considered before by the IDA.

The next item is the Daisytek Bankruptcy. A brief history was given by Mr. Connolly.

- Daisytek was given greater than the standard policy tax benefits
- Negotiated a recapture of those benefits if they didn't produce the economic benefits they had promised
- The IDA did enforce the recapture provisions
- Daisytek filed Chapter 11 Bankruptcy
- Mr. Connolly filed a priority tax claim against Daisytek – the recapture for 5 years is \$500,000.00. It is a joint obligation with Selkirk Ventures and Daisytek.

Resolution 19-2005 A motion was made by Ms. Kehoe to allocate \$2,000.00 to pay a Bankruptcy Attorney – Mr. Peter Pastori for assisting Mr. Connolly in this matter. This was seconded by Mr. Venezia and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Ms. Kehoe Mr. Ward Mr. Petraglia Ms. Robbins	None	Mr. Messina	None

Flags and Flowers – a little over \$5,000.00 was raised from the community towards the \$15,000.00 that the IDA had put forward. The total cost of the project was approximately \$40,000.00 including maintenance costs for the highway department. The consensus is that it was a successful project and it would be nice to continue it and expand it next year. The line item in the budget for Beautification has been increased for 2006. It must be determined if this is something to be continued and the Town Board will consider the budgetary aspects.

A motion to adjourn was made by Ms. Robbins, seconded by Ms. Kehoe and carried with the following vote:

<u>Ayes</u>	<u>Abstain</u>	<u>Absent</u>	<u>Nays</u>
Mr. Leveille Mr. Venezia Ms. Kehoe Mr. Ward Mr. Petraglia Ms. Robbins	None	Mr. Messina	None

Respectfully submitted,

Sheila Krauss