

**Frank S. Venezia**  
*Chairman*

**David A. Petraglia**  
*Vice-Chairman*

**Sam Messina**  
*Secretary*

**Robert B. Ward**  
*Assistant Secretary*

**Pamela Clark Robbins**  
*Treasurer*

**TOWN OF BETHLEHEM**  
*Albany County - New York*  
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**George E. Leveille**  
*Executive Director and  
Chief Executive Officer*

**Judith E. Kehoe**  
*Chief Financial Officer*

**Thomas P. Connolly Esq.**  
*Assistant Executive Director,  
Assistant Secretary and  
Agency Counsel*

**MINUTES OF THE REGULAR MEETING**  
**February 14, 2006**

A regular meeting of the Town of Bethlehem Industrial Development Agency was convened in public session in the Bethlehem Town Hall, 445 Delaware Avenue, Delmar, New York at 8:15 a.m., on Tuesday, February 14, 2006.

Attendance was recorded as follows:

<u>Board Members Present</u>	<u>Board Members Absent</u>	<u>Counsel Present</u>	<u>Town Staff Present</u>	<u>Others Present</u>
George Leveille Frank Venezia Sam Messina Judith Kehoe Robert Ward Pamela Clark Robbins	David Petraglia	Thomas Connolly A. Joseph Scott	Deborah Kitchen Theresa Egan	Marie Capone

Chairman Venezia called the meeting to order.

**APPROVAL OF MINUTES – JANUARY 17, 2006**

A motion to accept the minutes, as revised, was made by Mr. Ward, seconded by Ms. Kehoe and carried by all members present.

**FINANCIAL REPORT**

Ms. Kehoe was asked to provide an update on the Agency's financial position. Ms. Kehoe reported that the current cash position is about \$555,000.00. Year-to-date activity included interest income of approximately \$1,800.00 and expenditures of close to \$1,700.00 for the Capital Regional Living advertisement. PILOT payments are coming in on schedule. The annual audit is scheduled for March.

**PROPOSED NEW PILOT POLICY**

Mr. Leveille reported that the revised PILOT was presented to the Town Board in February. It is hopeful that the majority of projects will be Empire Zone projects so that they will not necessitate the use of this deeper incentive program. Supervisor Egan and Mr. Leveille are scheduled to meet with the Bethlehem Central School Board to review the PILOT. The Agency may be in a position to move forward with the adoption very soon.

## **OLD BUSINESS**

### **American Housing Project**

Mr. Connolly provided the Board with an update on the American Housing project. He has spoken with the project's attorney, and was told that they are working on financing and plan to close in late Spring, early Summer. Mr. Scott had also written a letter to the attorney stating that it would be advantageous to act on this before the existing civic facility statute expires, even though the likelihood is that it will be renewed.

### **Plasticware Project**

Mr. Leveille reported that Plasticware is actively working on securing credit and, according to Citizen's Bank; the financing is progressing through the credit review process. It is hopeful that there will be some good news on this shortly.

### **Vista Update – Revised Impact Analysis**

Mr. Leveille distributed copies of the revised Impact Analysis and reported that some changes were made to the Albany County application, indicating that not all of the businesses will be eligible for benefits. The Fiscal Impact Analysis projects a fiscal benefit of approximately \$50 million dollars to the BCSD and \$2.4 million dollars to the Town, over a 20-year period. The regional impact analysis projects about \$10 billion dollars of new industrial output within Albany County.

### **Documentation Methods, 2006 BIDA/TOB Service Agreement**

Ms. Kehoe was asked to explain the method staff will use to document time spent on IDA related tasks. Town staff will use a project code to record the time spent working on tasks that are included in the scope of the service agreement. The software will then take the employee's pay rate as well as the cost of fringe benefits and allocate the amount to that project code. Reports can be generated as needed to track activity and compare the information to the estimates found in the service agreement.

### **Resolution 2006-02 to Adopt the 2006 BIDA/TOB Service Agreement**

The Board reviewed the current version of the Administrative Services Agreement – noting that Exhibit A had been expanded. The Town will supply office space, utilities, file space, office equipment (phones, computer, copiers) and technical support for a management information system without additional costs.

A motion to approve the 2006 Administrative Services Agreement was made by Mr. Venezia, seconded by Mr. Messina and carried by all members present.

### **Business Visitation Program**

Mr. Connolly provided an update on the recent visit he and Supervisor Egan had made to Farm Family Insurance. Mr. Connolly reported that he felt it was a very worthwhile and productive meeting. Farm Family has 475 positions at the location having grown by 100 within the last three years. Ms. Kehoe reminded the Board that, in addition to being one of the largest employers in the Town of Bethlehem, Farm Family is also a successful IDA project. Supervisor Egan reported that she has asked the President of the Bethlehem Chamber of Commerce to identify small businesses that might benefit from the Business Visitation Program.

The next business visitation meeting will be held at Security Supply on February 23, 2006.

## **List of Active Projects**

Ms. Kehoe provided a list of nine active projects noting that two of them are not subject to property and school tax billings because they are non-profit organizations. Details regarding each of the PILOT agreements can be obtained from the Comptroller's office.

According to Mr. Scott, there needs to be a high level of communication between IDA and the beneficiary of the PILOT agreement. The work being done to ensure that these PILOTS are accurately computed and payments are coming in and going out on schedule is exactly what the State Comptroller's office wants.

## **Daisytek Bankruptcy Purchase of Claim**

Mr. Connolly reported that the Daisytek project is one that the Agency gave greater than standard benefits to but had also negotiated to recapture abated real property taxes in the event that the economic benefits did not materialize. The IDA filed a claim to recapture some of the abated taxes from Daisytek. The company filed bankruptcy and the IDA filed a claim. The bankruptcy court granted the IDA's claim in full, \$550,000.00 and the bankrupt estate is solvent. The attorney's expect that administrative unsecured claims will be paid somewhere in the neighborhood of 3% to 11% of the claim – possibly \$60,000. A company, by the name of Liquidity Solutions, Inc., has expressed an interest in purchasing the IDA's claim – and is currently offering us \$44,020.96. Mr. Messina suggested that an attempt be made to renegotiate a better deal.

A motion was made by Mr. Leveille, to authorize Peter Pastore, McNamee, Lochner, Titus & Williams, P.C. to negotiate an increase in the settlement of this claim, setting the minimum at \$44,020.96, and to do so post haste. The motion was seconded by Mr. Venezia and carried by all members present.

## **NEW BUSINESS**

### **Flags & Flowers 2006**

Mr. Connolly stated that the flowers have been ordered and the applications for National Grid and Verizon are being prepared. He also reported that he attended the Board of Director's meeting at the Bethlehem Chamber of Commerce and was told that the Chamber was not willing to act as the project sponsor but was willing to assist with fund-raising. The Chamber had also indicated that it was not in favor of expanding the project to other locations until fund-raising issues were resolved. It was recommended that donations be solicited from residents as well as business owners.

### **Public Authorities Accountability Act – Signed 02/13/06**

Mr. Scott referred to a copy of the report prepared by his partner George Cregg, Jr. and stated that the legislation was made in an attempt to address defects in the public side of finance involving state and local agencies. The IDA is listed as a local agency. Materials will be presented to the Board to bring the IDA into compliance with respect to this law. The essence of the legislation – noted on page 7 - puts the onus on the Board to oversee and understand what is happening with IDA operations. The goal is to help create the necessary paper files and make sure the by-laws reflect the requisite policies. Unfortunately, in addition to some new requirements there are also duplicate requirements that raise questions about the format that will be used for annual reporting. The section regarding Prohibition on Insider Loans was also discussed.

### **Cost/Benefit Analysis Form**

Mr. Scott referred to a sample form, created by Hodgson Russ, which is being offered for the Board's consideration. Hodgson Russ is recommending that the form be included in the IDA application package as part of the Cost/Benefit Analysis and will need to be completed by the applicant. Mr. Leveille suggested that a section be added requiring the applicant to articulate what types of local services they will need/expect. Chairman Venezia pointed out there may be sections of the questionnaire, that may be difficult for the applicant to complete, such as those appearing on Page 1 - #'s 3b, 3c & 3d. The Board discussed the types of assistance that could be made available to an applicant.

### **Project Approval Flow Chart**

Mr. Scott referred to a memo from Hodgson Russ outlining the procedures and required resolutions for approval of various types of projects. It was noted that public hearings for the Manufacturing and Housing Facility projects are included in the inducement resolution. Town Board approval would be required after public hearings for any Civic, Manufacturing or Housing Facility. Town Board action would also be required for Straight Lease transactions if the IDA were to be involved in a retail project.

### **Retainer Letter Hodgson Russ LLP**

Mr. Connolly stated that Hodgson Russ currently serves as Bond Counsel for the IDA and is typically paid by the borrower with the proceeds of the transaction. Work performed for non-applicant projects will be billed at normal hourly rates. It is Mr. Connolly's recommendation that the Board retain the services of Hodgson Russ.

A motion to retain the services of Hodgson Russ was made by Mr. Venezia, seconded by Mr. Leveille, and carried by all members present.

### **Upcoming Events**

Mr. Leveille circulated a list of upcoming meetings that Board Members might be interested in attending.

### **Update of IDA Profiles on the Website**

Copies of the existing IDA Member profiles were distributed to the Board for review. If revisions are needed, requests should be sent directly to Deborah Kitchen.

### **Date Set For Next IDA Meeting**

The next regular meeting will be held at 8:00 a.m., on Tuesday, March 21, 2006.

### **MOTION TO ADJOURN**

A motion to adjourn was made by Mr. Venezia, seconded by Mr. Messina and carried by all members present.

*Minutes Recorded and Transcribed By: Deborah M. Kitchen*