

Frank S. Venezia
Chairman

David A. Petraglia
Vice-Chairman

Sam Messina
Secretary

Robert B. Ward
Assistant Secretary

Pamela Clark Robbins
Treasurer

Joanne Cunningham
Member

Joseph P. Richardson
Member

TOWN OF BETHLEHEM
Albany County - New York
INDUSTRIAL DEVELOPMENT AGENCY

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Chief Financial Officer

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*Assistant Executive Director,
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MINUTES OF THE IDA MEETING
October 17, 2006

A 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 8:00 a.m., on Tuesday, October 17, 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>
Frank Venezia David Petraglia Robert Ward Pamela Clark Robbins Joanne Cunningham Joseph Richardson	Sam Messina	Thomas Connolly A. Joseph Scott	George Leveille Judith Kehoe Deborah Kitchen Theresa Egan	Marie Capone Arthur Barrett

Chairman Venezia called the meeting to order.

APPROVAL OF MINUTES

A motion was made by Mr. Ward, seconded by Ms. Robbins and carried by all members present to approve the September 19, 2006 minutes. Mr. Petraglia and Mr. Richardson abstained because they were not present for the September meeting.

FINANCIAL REPORT

2007 Budget

Ms. Kehoe presented the 2007 Budget, dated October 16, 2006.

A motion was made by Mr. Petraglia, seconded by Mr. Venezia and carried by all members present to accept the 2007 Budget as presented. A copy of the Budget will be given to the Town Supervisor.

Monthly Financial Statement

Ms. Kehoe presented the monthly Financial Statement, dated October 16, 2006.

A motion was made by Mr. Richardson, seconded by Mr. Petraglia and carried by all members present to accept the monthly Financial Statement as presented.

BARRETT DISTRIBUTION CENTERS, INC. – 158 West Yard Road

Application

Chairman Venezia asked Arthur Barrett, of Barrett Distribution Centers, Inc., to provide the Board Members with an overview of his application. Mr. Barrett stated that he represents a 3rd generation, material-handling corporation, which has been in business for 65 years. One facet of Barrett Distribution is to transport large quantities of sugar that is being shipped into the Port of Albany from Mexico. The shipments arrive on pallets and the sugar is then transported by truck.

The 350,000 sq. ft. facility located at 158 West Yard Road in Selkirk was chosen because it is believed to be an excellent distribution point. Barrett Distribution intends to purchase equipment that will be used to break down the bulk shipments into smaller packages, which will enable their client, ED & F Mann, London, to expand their customer base. Site improvements will include the installation of bagging equipment and pallet racks under the leasehold agreement and the purchase of forklifts under capital equipment. The process will subscribe to the American Institute of Baking (AIB) standards and require storage permits. The company will employ approximately 20 people.

The product is currently distributed throughout the US and Canada. Shipments will arrive at the Port of Albany every six (6) weeks and Barrett Distribution will have six (6) days to empty the boat. If the boat contains a full shipment it will represent approximately 300 truckloads. ED & F Mann, had asked Barrett Distribution to locate a site that is served by rail. The lease agreement with Selkirk Ventures is contingent upon the installation of rail service.

Financial statements dated December 31, 2005 were provided.

Mr. Scott, Bond Counsel for the Agency, stated that the cost of the project would range between \$500,000 and \$600, 000. Barrett Distribution is requesting exemption from sales tax. A Public Hearing is not required because the Financial Assistance will be under \$100,000.

The Agency is taking an interest in the equipment and there will be a bill of sale. The Agency will sell it back to Barrett Distribution and receive an Agency Fee in connection with the transaction. The Agency Fee is $\frac{3}{4}$ of 1% of the project cost and the fee will range between \$3,750 and \$4,000. The fee will be due at closing, which is scheduled to take place in ten (10) days.

The following factors were considered: 1) There is no PILOT agreement because the Agency is not taking interest in the Real Estate; 2) It is not a retail project; 3) There is no pirating situation to be concerned about because the Port Director has confirmed that there is a lack of warehouse space available to accommodate Barrett Distribution.

It is an equipment transaction. The Agency is going to convey the property back to Barrett Distribution quickly. The Agency will hold the property during the acquisition period so Barrett Distribution can take advantage of the sales tax exemption. The term for sales tax exemption may encompass a three (3) year period beginning in 2006.

Barrett will be given a sales tax letter, signed by the Chairman, which can be presented when purchasing equipment so that the transaction is exempt from sales tax. Invoices should be made out to Barrett Distribution as Agent of the Town of Bethlehem Industrial Development Agency as outlined in the sales tax agreement that Mr. Scott is drafting. The documents will cover the pre-closing period.

A motion was made by Mr. Richardson, seconded by Ms. Cunningham and carried by all members present to accept the Application submitted by Barrett Distribution Centers, Inc. Mr. Petraglia abstained.

SEQR Resolution

This project is by definition a Type II Action because it is likely not to have a significant environmental impact because it encompasses equipment purchases and interior renovations. The documentation provided by Barrett Distribution explains the project and the Agency's resolution states that the Agency can support a finding of no significance based on those representations.

Approval Resolution

The resolution will authorize the Bethlehem - IDA Chairman to enter into the typical straight lease documents. Under this agreement Barrett Distribution agrees to: 1) Insure the Agency for any liability; 2) Indemnify the Agency; and 3) Provide employment information.

Resolution 2006-18 – Financial Assistance to Barrett Distribution Centers, Inc.

Upon motion of Mr. Richardson, seconded by Ms. Cunningham, and unanimously approved by all members present, except Mr. Petraglia who abstained, the following resolution was adopted:

Resolved that the Agency approves the SEQR Resolution (A attached); and

Resolved that the Agency approves the Approval Resolution (B attached).

PUBLIC AUTHORITIES ACCOUNTABILITY ACT

Board Member Training

Mr. Connolly reminded the Board Members that there is a training session on October 20, 2006 and November 3, 2006, in Albany. Mr. Messina, Ms. Robbins, Mr. Venezia & Mr. Ward will be attending the November 3rd session.

Mr. Scott noted that the State has recognized that there are some difficulties in educating all of the IDA members in NYS this year so they have reached out to third party vendors and are willing to certify these third party vendors so that they can then provide this training. Hodgson Russ has made application to be certified as a trainer, which may make it possible to incorporate the training into one of the IDA meetings. Mr. Scott hopes to be able to report back on the status of the application before the end of the month.

OLD BUSINESS - Project Updates

PSEG

The Agency will review the PSEG agreement to determine whether BIDA may have access to discounted electrical power.

Vista Technology Campus

Mr. Leveille reported that Vista has submitted a Draft Environmental Impact Statement (DEIS). There will be a 45-day period to review the document for completeness. The project is on track and the Town is currently working on issues related to infrastructure. There are no major tenants signed on at this time.

New Scotland Road Hamlet Master Plan

The design charrette was held in September. Approximately 100 residents attended the event. The Consultant is preparing a report to synopsize the ideas presented with illustrations to show what the project might look like.

Route 85 - Extension

DOT has let the contract for construction of the extension but is awaiting a permit from the Army Corps of Engineers. The project is still scheduled to begin in 2006 and should be in full swing in the Spring of 2007.

Malm Realty/Taconic Farms

This prospective project calls for a new 25,000 sq. foot building, located in a Rural Light Industrial Zone, on Hannay Lane, behind Stewarts in Glenmont. The facility would be used to breed laboratory animals. The tenant, Taconic Farms, is involved in medical research at the East Campus at the State University of NY at Albany. Bethlehem would be competing against a site located in East Greenbush. Malm Realty is the developer of the existing Pittsfield News Project.

Selkirk Ventures - 158 West Yard Road

The Agency is ready to collect on the Tax Recapture deferral for Selkirk Ventures. The next step is to send Selkirk Ventures a bill for the balance of the recapture.

The PILOT for Selkirk Ventures may need to be re-negotiated because the Barrett Distribution & Plasticware leases may not provide the same economic benefit provided by the Daisytek project.

Plasticware – 158 West Yard Road

Plasticware has been working through some financial issues and is still in the process of negotiating a lease.

Flags and Flowers

With regard to Flags and Flowers, Mr. Connolly reported that the committee reached its goal of raising \$8,000. The amount raised was \$8,420. The committee hopes to raise \$10,000.00 in 2007.

Policy Statement on Monitoring of IDA Projects

Ms. Kehoe referred to the revised Monitoring Report, dated October 17, 2006, and stated that she made two changes based on the Board's recommendations: 1) The project representative will be asked to fill out a sub-schedule to provide full-time employment information; and 2) The project representative will be asked to keep track of sub-contractors involved during the construction phase to determine the number of contractors used.

Economic and market conditions can change and create legitimate reasons why an applicant cannot achieve its economic goals. It is important for the Agency to be able to articulate those reasons. When there is a recapture clause in a PILOT Agreement, there is the possibility of recapturing some taxes lost through tax exemption.

Mr. Leveille recommended that a provision be added to the real estate lease stating that employment information will be requested on an annual basis. Mr. Ward proposed that the Board consider accumulating data, in order to benchmark the anticipated increase in taxable value for each project. A column showing pre-project assessed valuation should be added to the monitoring report to indicate the increased assessed value. Prospectively, Ms. Kehoe will create a record of increased assessed value on the monitoring report.

A motion was made by Mr. Ward, seconded by Ms. Cunningham and carried by all members present to accept the Policy Statement on IDA Project Job Creation and On-Going Monitoring, dated October 17, 2006.

NEW BUSINESS – Upcoming Events

Route 9W Corridor Study

A meeting has been scheduled for Thursday, October 26, 2006, at 4:00 p.m. The committee will be reviewing an inventory of existing conditions and will move from there into planning for improvements such as the Selkirk Bypass and the NYS Thruway interchange.

Local Waterfront Revitalization Plan / Waterfront Advisory Committee

The committee will begin the process of redefining future land use along the corridor. Saratoga Associates has been selected as the consultant who will be assisting the Town with the Plan. The first LWRP / Waterfront Advisory Committee meeting will be held in November.

Town Board - Public Hearing

A public hearing will be held on Wednesday, October 23, 2006 to review the proposed 2007 Budget.

DATE OF NEXT IDA MEETING

The next regular IDA meeting will be held on Tuesday, November 21, 2006, at 8:00 a.m., Room 101.

MOTION TO ADJOURN

A motion to adjourn was made by Mr. Petraglia, seconded by Mr. Ward and unanimously approved by all members present.

Respectfully submitted: Deborah M. Kitchen