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TOWN OF BETHLEHEM

Albany County - New York

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MINUTES – SPECIAL MEETING October 9, 2008

A special meeting of the Town of Bethlehem Industrial Development Agency was convened in public session in the Bethlehem Town Hall, 445 Delaware Avenue, Delmar, NY at 8:00 a.m., on Thursday, October 9, 2008.

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 Sam Messina Pamela Clark Robbins Joseph Richardson Brian Stenson	Robert Ward Joanne Cunningham	Thomas Connolly A. Joseph Scott	George Leveille	Kenneth Green John Stockli

218 West Yard Road, Selkirk - McNeary, Inc.

Chairman Venezia called the meeting to order. The Agency will consider an Application for Financial Assistance submitted by McNeary, Inc. for property located at 218 West Yard Road, Selkirk, NY. Mr. Leveille introduced the representatives for the project - Kenneth Green, VP of Project Development for McNeary, Inc. and John Stockli, Esq.

Mr. Green thanked the Members for holding a special meeting on behalf of the project. He stated that it was needed due to the anticipated timing of the closing for this project. The project involves acquisition and renovations of the existing 450,000 sq. ft. multi-tenant warehousing facility to be leased to various tenants, including Logistics Warehousing, Inc., Honeywell International, Inc., and Iron Mountain Information Management, Inc. Mr. Green presented a survey and a map showing the site location and the structure that is currently on it.

McNeary, Inc. is a family owned business that has been in operation for three generations. The business is currently located in an Industrial Park in Saratoga Springs, NY. McNeary, Inc. operates three businesses at the Saratoga location: Logistics Warehousing, Inc. - a warehouse distribution company, Logistics One - a trucking company, and McNeary, Inc. – a brokerage firm. The company is successful and operates out of five warehouses. It focuses its attention on commodities that are used on a daily basis, i.e., paper towels, toilet tissue, food, beverages. This is not a retail project.

218 West Yard Road presents a great opportunity for the business. The facility currently houses two tenants (Honeywell International, Inc., and Iron Mountain Information Management, Inc.) who currently occupy 50% of the facility. Long term lease agreements exist with these tenants.

The Company is interested in a straight lease transaction. It intends to bring \$10,000,000 of investment to purchase the building and make renovations. The Company is seeking a 10 year PILOT Agreement in order to stabilize the building because it is ½ empty and also to stabilize the existing tenants and give the IDA more incentive to attract other businesses to the area.

Mr. Green referred to the project application – noting that there are currently 57 employees at Honeywell and 8 employees at Iron Mountain Information Management, Inc. Both companies expect their businesses to grow and anticipate that the number of employees will increase by two people. Logistics One will be leased from McNeary, Inc. It will start with 33 new employees and expects to increase to 38 employees.

The owner of McNeary, Inc. would like to add a new dimension to the Company. He has a vision for the CSX Rail Yard. The location offers capacity and readiness to bring other types of manufacturers to the area. Mr. McNeary would like to work with CSX to expand the industrial corridor. There is a 10 acre parcel adjacent to 218 West Yard Road that could be developed.

The Company intends to capitalize on the AMD project. It is estimated that there will be 30 companies coming to the region as a result of the AMD project. McNeary, Inc. has identified the companies and plans to reach out to all 30 of them before the end of November.

Mr. Scott provided an overview of the content of the Resolution noting that the documents include information about the acquisition of 218 West Yard Road, as well as the size of the building, intended renovations, and anticipated financial assistance. The Agency will need to comply with a public hearing requirement because the project is over \$100,000. The Agency will also need to comply with a deviation requirement and notify the affected taxing jurisdictions about the proposed deviation 30 days prior to the Agency taking action with respect to the proposed PILOT Agreement.

The Company would like to enter into a payment in lieu of tax agreement that deviates from the Agency's Uniform Tax Exemption Policy. The proposed PILOT Agreement would not provide any abatement for a special assessment levied on the project facility. The proposed PILOT Agreement would fix the assessed value on the Land and any improvements on the Land at the current assessment of \$8,000,000 for ten years. The assessment would increase by two percent (2%) annually and the Company will pay 100% of normal taxes on the improvements at the fixed assessment. The proposed PILOT Agreement will provide an approximate real property tax exemption of \$400,000 over a 10 year period. The taxing jurisdictions (Albany County and Ravena-Coeymans-Selkirk Central School District) are expected to receive their existing revenues as a result of this project.

Tax exemptions include - exemption from mortgage recording taxes; exemption from deed transfer taxes on any real estate transfers; exemption from sales taxes relating to the acquisition, construction, renovation and installation of the project facility; exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the project facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the project facility.

Mr. Green will provide the Agency with the company's financial statements. Mr. Scott will prepare the terms of the PILOT Agreement which will include the deviation language and remediation formula and terms of the straight lease transaction document.

The Members agreed to hold a public hearing on Monday, November 17, 2008, at 6:00 p.m. in the Town Hall Auditorium, 445 Delaware Avenue, Delmar, NY 12054, to hear public opinion about the proposed project and the financial assistance being considered by the Agency in connection with said project.

The Agency will decide whether or not approve the terms of the proposed PILOT Agreement at its regular monthly meeting scheduled for Tuesday, November 18, 2008, 8:00 a.m., at Town Hall in Room 101.

A motion was made by Mr. Messina, seconded by Ms. Robbins and unanimously approved by all members present to accept the resolution.

Motion to Adjourn

A motion to adjourn was made by Ms. Robbins, seconded by Mr. Stenson and unanimously approved by all Members present.

Transcribed by: Deborah M. Kitchen