

Frank S. Venezia
Chairman

Robert B. Ward
Vice Chairman

Joseph P. Richardson
Secretary

Sam NeJame
Assistant Secretary

Brian T. Stenson
Treasurer

Victoria Stanton Sweeney
Member

Mark Hennessey
Member

TOWN OF BETHLEHEM

Albany County - New York

INDUSTRIAL DEVELOPMENT AGENCY

445 DELAWARE AVENUE
DELMAR, NEW YORK 12054

Telephone: (518) 439-4955

Fax: (518) 439-5808

Email: info@bethlehemida.com

www.bethlehemida.com

Terrence W. Ritz
*Executive Director and
Chief Executive Officer*
Ext. 1139

Suzanne Traylor
*Chief Financial Officer and
Contracting Officer*
Ext. 1123

Thomas P. Connolly, Esq.
*Assistant Executive Director,
Assistant Secretary and
Agency Counsel*
518-447-3303

Deborah M. Kitchen
*Assistant to the Executive
Director and Clerk*
Ext. 1159

MINUTES – REGULAR MEETING

June 23, 2010

A meeting of the Town of Bethlehem Industrial Development Agency was convened in public session in the Bethlehem Town Hall, 445 Delaware Ave., Delmar, NY at 8:00 a.m., on Wednesday, June 23, 2010.

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		Thomas Connolly	Terrence Ritz	
Robert Ward		A. Joseph Scott	Suzanne Traylor	
Joseph Richardson			Deborah Kitchen	
Sam NeJame			Sam Messina	
Brian Stenson				
Victoria Stanton-Sweeney				
Mark Hennessey				

Chairman Venezia called the meeting to order.

APPROVAL OF MINUTES

A motion was made by Mr. Richardson, seconded by Mr. Ward, and carried by all members present to approve the minutes of the Regular Meeting held March 22, 2010.

Minutes of the April 28, 2010 and May 26, 2010 meetings will be considered at the July meeting.

NEW BUSINESS

NYS Dept. of Taxation & Finance Public Authorities Law 2975 Administrative Services Assessment

In a February 4, 2010 letter from Aida Brewer, Deputy Commissioner and Treasurer, NYS Dept. of Finance the Bethlehem IDA (BIDA) was assessed a 2009-2010 Administrative Services Assessment Fee in the amount of \$7,530 pursuant to Public Authorities Law 2975-a “cost recovery of central government services to various public authorities”. The fee was paid by the BIDA under protest and the Agency reserved the right to object to the imposition of the assessment in its cover letter to the NYS Division of the Treasury, dated March 31, 2010. In June, the Agency received a reimbursement check and a letter from NYS Dept. of Taxation & Finance, dated June 11, 2010, which read as follows: “the NYS Division of the Budget has requested that no further action be taken to collect these assessments for the 2009-2010 Fiscal year and that payments already collected be returned to industrial development agencies.”

Quarterly Financial Report

Suzanne Traylor presented the quarterly financial report, dated March 31, 2010, including a balance sheet and income statement. It was noted that the Agency had received an energy reimbursement payment from PSEG.

Governance Committee Report

Robert Ward reported that the Governance Committee met on May 26, 2010 and reviewed the requirements of the Public Authorities Accountability Act and the Public Authorities Reform Act. The Committee concluded that the Agency does not need to modify its existing Charter in light of the evolution of governance principles. The new statute states that the Governance Committee shall conduct a board assessment. In January of each year beginning in January 2011 the Governance Committee will have Members fill out a self assessment form and return the forms to the Governance Committee. The results of the assessment will be tabulated and presented to the Members.

Minutes of the May 26, 2010 Governance Committee meeting will be considered at the next Governance Committee meeting which has not yet been scheduled. Mr. Scott will reference Open Meetings Law to determine if there is a time frame when minutes must be posted following a public meeting.

OLD BUSINESS

Special Meeting

Chairman Venezia noted that the June 11, 2010 special meeting was cancelled. It was later determined that long range planning would be discussed during regularly scheduled meetings instead of scheduling a special meeting. Tentatively, Joseph Richardson will present economic development ideas and A. Joseph Scott will discuss Local Development Corporations at the July 28, 2010 meeting.

Role of the IDA

Mr. Connolly summarized New York General Municipal Law Article 18-A which created BIDA and which sets forth the purposes, powers and restrictions of IDAs in New York State. BIDA is a public benefit corporation coterminous with the Town of Bethlehem; members not less than three or more than seven are appointed by the Town Board and serve at the pleasure of the Town Board. GML section 858 sets forth the following purposes:

“promote, develop, encourage and assist in the acquiring, constructing, manufacturing, warehousing, commercial, research and recreation facilities including industrial pollution control facilities, education or cultural facilities, railroad facilities, horse racing facilities ... [continuing care communities omitted] and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the state of New York and to improve their recreation opportunities, prosperity and standard of living; and to carry out the aforesaid purposes”.

IDAs have most corporate powers such as the power to buy, sell, lease, contract etc. All property owned by an IDA is exempt from taxation.

Projects are defined as any land, building or improvement, and all real and personal properties located within the state of NY and within or outside or partially within and partially outside the municipality for whose benefit the agency was created, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in connection therewith, or incidental thereto, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial purposes or other economically sound purposes. Mr. Hennessey noted that it has been his experience that the prescribed list of uses can not be expanded using the phrase "other economically sound purposes".

IDAs provide financial assistance to qualifying projects by providing some combination of exemption from mortgage tax, exemption from sales tax, abatement of real estate tax and access to tax exempt bonds. This is accomplished by legal documents which transfer legal title to the project to the IDA but operational control and financial responsibility to the project.

Under "anti-piracy" provisions, an IDA cannot use financial assistance to move an existing project within the state. The public policy of the statute is to create new jobs in the state – not move existing jobs. There are two exceptions to the anti-piracy restrictions: (i) financial assistance is necessary to discourage a project from moving out of the state or (ii) financial assistance is necessary to preserve the competitive position of a project within its industry.

Mr. Connolly said that in addition to providing financial assistance to projects, BIDA has engaged in the following economic development activities:

- 1) BIDA contracted with Tech Valley LLC, a sibling entity with the Albany Chamber of Commerce to identify a potential site for a technology park in Bethlehem
- 2) BIDA hired a full time Executive Director
- 3) BIDA attempted to contract with Milltowne Plaza to purchase 92 acres off Wemple Road in Glenmont for \$1.1 million for a Technology Park with the expectation that the Agency would assign the contract to a developer
- 4) BIDA obtained a grant from Build Now NY for \$75,000 to assist Milltowne Plaza with site planning for a Technology Park
- 5) BIDA invested \$60,000 in the Flags & Flowers Project along Delaware Avenue in an effort to demonstrate that a business improvement district would be beneficial.
- 6) BIDA contracted with JIMPACO to print the Town maps at a cost of \$1,000
- 7) BIDA obtained a grant with NYS DOT to build the rail siding at 158 West Yard Road
- 8) BIDA contracted with Brownstone Graphics to produce the Agency's Annual Reports
- 9) BIDA advertised Vista in a magazine called Images of Tech Valley for \$2,750
- 10) BIDA contracted with Gramercy Communications (\$2,250) for initial development of a Marketing/Communication Plan
- 11) BIDA paid \$563,000 to the Town of Bethlehem between 2005-2009 toward Administrative Services (2005 \$68,000; 2006 \$200,000; 2007 \$200,000; 2008 \$50,000; 2009 \$45,000)

Chairman Venezia stated that the Agency is reexamining its role in order to determine what can be done to accomplish its long range goals. Mr. Hennessey stated that future decisions will be based on previous experiences. Ms. Stanton-Sweeney asked for clarification regarding the role of the Town versus the role of the BIDA in promoting economic development. Mr. Connolly stated that when the Agency hired Brian Hannafin as a full time Executive Director, BIDA had primary responsibility for economic development. When George Leveille became the Director of the Town's Department of Economic Development & Planning and Executive Director of BIDA, responsibility was shared between the Town and BIDA. Mr. Leveille spent an enormous amount of time promoting economic development. At present Terry Ritz is serving as Executive Director of BIDA while serving in the Town's Engineering Division. Mr. Scott noted that an IDA typically has more legal power on the impact of development than the Town. The policy program issues vary from Agency to Agency. There is a very high degree of integration with the Town of Bethlehem and the Bethlehem IDA because the two are sharing staff and the Members of the BIDA are serving at the "pleasure of the Town Board." Some IDA's have a clear separation between the municipality and the IDA. Other municipalities exert a great deal of control over the IDA

Several municipalities have created local development corporations (LDCs) which are specialized not-for-profit corporations. Some of the reasons for creating LDCs include fundraising, Board appointments, outreach, compensation, restrictions on activities and political control. Mr. Connolly noted that the Public Authority Accountability Act and Public Authority Reform Act were designed to require LDCs to be accountable to the public. Supervisor Messina noted that it has been his observation that the Town of Bethlehem and the Bethlehem IDA have been mutually supportive of each other in the past and have a relationship where economic development is the goal.

Project Updates

Vista Technology Campus

Mr. Ritz noted that Supervisor Messina is activity working with representatives of Vista in an effort to move the project forward.

2010 Report

Mr. Ritz stated that final review comments should be submitted to Deborah Kitchen. 50 copies will be printed.

NON AGENDA ITEMS

Mr. Ward stated that he will be moving to Albany in the next month or so and will have to resign as a member of the Agency when he moves. He has served as a Member of the Agency since May 2005 and it has been his observation that the Agency has been able to work closely with the Town officials in an effort to advance their goals while maintaining its independence. Chairman Venezia thanked Mr. Ward for his service and said he will be missed.

UPCOMING MEETINGS TO BE HELD AT TOWN HALL

07/28/2010 8:00 a.m. Room 101 Regular Meeting

MOTION TO ADJOURN

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

Respectfully submitted
Deborah Kitchen