

Frank S. Venezia
Chairman
Joseph P. Richardson
Vice Chairman
Tim McCann
Secretary
Victoria Storrs
Assistant Secretary
Tim Maniccia
Member
David Kidera
Member
Richard Kotlow
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

Regular Meeting Agenda
Friday, January 25, 2019
8:00 AM
Town Hall Auditorium

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

Allen F. Maikels
Treasurer, Chief Financial Officer
and Contracting Officer
518-487-4679

Elizabeth Staubach
Economic Development
Coordinator
Ext. 1189

Robin Nagengast
Assistant to the Executive Director
and Clerk
Ext. 1164

- I. Call to Order/Roll Call/Quorum Determination**
- II. Minutes Approval**
 1. Bethlehem Industrial Development Agency - Regular Meeting - Dec 21, 2018 8:00 AM
- III. Reports of Committees**
 1. Audit Committee (Venezia)
- IV. Communications**
 1. 1/2/19 Letter NYS DED Notification Private Activity Bond Allocation \$620,270 (Connolly)
- V. Old Business**
 1. Planning Board Update (Leslie)
 2. Report of ED Coordinator (Staubach)
 3. Columbia 15 Project (Connolly)
 4. Coeymans Recycling Center LLC Termination (Scott)
 5. Monolith Status Report on Construction 85 Vista Blvd.(Sullivan/ Stroud/ Erby/ Fobare/ Pickett/ Smith)
 6. Monolith: Pioneer Notice Default & Acceleration (Scott)
- VI. New Business**
 1. Financial Statements 12/31/18 (Maikels)
 2. 2018 Operations and Accomplishments/Resolution (Connolly)
 3. Report: Annual Project Questionnaires (Maikels)
 4. Report: Billing of 2019 Administrative Fees (Maikels)
 5. ABO: Monitoring Sales Tax Exemptions (Connolly)

Meeting of Friday, January 25, 2019

6. Board Assessment Reminder (Connolly)
7. Audit Committee Meeting Wednesday, January 23, 2019 8:00 a.m. Room 101
8. Annual & Regular Meeting - Friday, February 22, 2019 8:00 a.m. Auditorium

VII. Executive Session/Resolution

VIII. Adjournment

Frank S. Venezia
Chairman
Joseph P. Richardson
Vice Chairman
Tim McCann
Secretary
Victoria Storrs
Assistant Secretary
Tim Maniccia
Member
David Kidera
Member
Vacant
Member

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Regular Meeting Minutes
Friday, December 21, 2018
8:00 AM
Town Hall Auditorium

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I. Call to Order/Roll Call/Quorum Determination

A Regular Meeting of the Bethlehem Industrial Development Agency of the Town of Bethlehem was held on the above date at the Town Hall Auditorium, 445 Delaware Avenue, Delmar, NY. The Meeting was called to order at 8:00 AM with the presence of a quorum noted.

Attendee Name	Title	Status	Arrived
Frank S. Venezia	Board Member/Chairman	Present	
Joseph P. Richardson	Board Member/Vice Chairman	Present	
Richard Kotlow	Board Member	Present	
Tim McCann	Board Member/Secretary	Present	
Victoria Storrs	Board Member/Assistant Secretary	Present	
Tim Maniccia	Board Member	Present	
David Kidera	Board Member	Present	
Thomas P. Connolly	Executive Director/Agency Counsel	Present	
Joe Scott	Bond Counsel	Present	
Allen F. Maikels	CFO and Contracting Officer	Present	
Robin Nagengast	Assistant to the Executive Director	Present	
Elizabeth Staubach	Senior Planner/ED Coordinator	Present	
Robert Leslie	Director of Planning	Present	

II. Minutes Approval

1. Friday, October 26, 2018

RESULT: ACCEPTED [UNANIMOUS]
MOVER: David Kidera, Board Member
SECONDER: Joseph P. Richardson, Board Member/Vice Chairman
AYES: Venezia, Richardson, Kotlow, McCann, Storrs, Maniccia, Kidera

III. Reports of Committees

No committee activity to report.

Minutes Acceptance: Minutes of Dec 21, 2018 8:00 AM (Minutes Approval)

IV. Communications

There are no communications.

V. Old Business

- **PLANNING BOARD UPDATE (LESLIE)**

PSEG/Grid reactor station approved by the Planning Board. Diversified Auto presented to the Development Planning Committee - potential IDA project. Glenmont Roundabout is in preliminary design phase; staff is meeting with local businesses; and there is a public information meeting scheduled January 17. New senior planner Nate Owens filled vacancy. Comp plan update forums are underway; five more scheduled from January through March.

- **REPORT OF ED COORDINATOR (STAUBACH)**

The REDC awarded another \$200,000 for Bethlehem microenterprises; information sessions have been scheduled. Recently met with two potential IDA projects.

- **COLUMBIA 15 PROJECT (CONNOLLY)**

Nothing new from the developer to report.

- **1220 NEW SCOTLAND RD/ARCH SCBTHNY02 (SCOTT)**

The termination documents have been signed and delivered. The termination is complete.

- **COEYMANS RECYCLING CENTER LLC TERMINATION (SCOTT)**

Documents are out; no response from the Coeymans Recycling.

- **PSEG/NATIONAL GRID PROJECT (LESLIE/SCOTT)**

Documents have been delivered and recorded.

- **ECONOMIC DEVELOPMENT STRATEGY UPDATE (LESLIE/STAUBACH)**

Notes from the Workshop were distributed for comments. Regional data will be reflected in continuing strategies, timely with the comprehensive plan update.

- **MONOLITH STATUS REPORT ON CONSTRUCTION 85 VISTA BLVD. (SULLIVAN/STROUD/ERBY/FOBARE/PICKETT/SMITH)**

Monolith has missed the December 13, 2018 deadline for site completion and Planning Board and Agency approvals have expired without extensions. The building permit will expire January 31, 2019. Monolith hasn't stabilized the site.

Interim financial statements are requested.

Next report to the IDA board will be at the next regular meeting on January 25 at 8am; updates to the Executive Director are requested as available.

VI. New Business

- **FINANCIAL STATEMENTS 11/30/18 (MAIKELS)**

Net income is estimated at \$150,000, ahead of budget.

- **ADMINISTRATIVE SERVICES CONTRACT 2019/RESOLUTION (CONNOLLY)**

Upon motion by Mr. Richardson, seconded by Mr. Kidera, the Agency approved the 2019 Administrative Services Agreement with the Town and the 2019 Schedule 'A' with all members present in approval.

RESULT: APPROVED [UNANIMOUS]
MOVER: Joseph P. Richardson, Board Member/Vice Chairman
SECONDER: David Kidera, Board Member
AYES: Venezia, Richardson, Kotlow, McCann, Storrs, Maniccia, Kidera

- **REGULAR MEETING - FRIDAY, JANUARY 25, 2019 8:00AM, AUDITORIUM**

The next meeting is Friday, January 25 at 8am.

VII. Executive Session/Resolution

Upon motion by Mr. Kidera, seconded by Ms. Storrs, the Board went into executive session at 8:40am to discuss litigation. The executive session closed at 9:12am on a motion by Mr. Kidera, seconded by Ms. Storrs, with no action taken.

VIII. Adjournment

Motion To: Adjourn

RESULT: ADJOURN [UNANIMOUS]
MOVER: David Kidera, Board Member
SECONDER: Victoria Storrs, Board Member/Assistant Secretary
AYES: Venezia, Richardson, Kotlow, McCann, Storrs, Maniccia, Kidera



January 2, 2019

Ms. Robin Nagengast
Assistant
Town of Bethlehem IDA
Office of the Supervisor
Delmar, NY 12054

Subject: Notification of Initial Allocation

Dear Ms. Robin Nagengast,

I am pleased to inform you that, pursuant to the Private Activity Bond Allocation Act of 2018, your initial allocation for calendar year 2019 is \$620,270. This allocation is based upon the formula prescribed in Chapter 103, Laws of 2018, utilizing the most recent official population estimates of the U.S. Bureau of the Census.

If you have any questions or need additional information, please feel free to contact George LaPointe at george.lapointe@esd.ny.gov or (518)292-5307.

Sincerely yours,

Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development

Attachment: Notification of Initial Allocation for 2019 1-2-19 (M1538545x7F824) (5399 : Private Activity Bond)

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET ASSETS
12/31/2018

ASSETS	<u>December 31, 2018</u>
Current Assets	
Checking/Savings	
200.04 Cash-M&T Bank Agency Account	554,001.00
Total Checking/Savings	554,001.00
Other Current Assets	
380 Fee Receivable	13,445.34
480 Prepaid Expense	1,220.00
Total Other Current Assets	<u>14,665.34</u>
Total Current Assets	<u>568,666.34</u>
 TOTAL ASSETS	 <u>568,666.34</u>
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
601 Accrued Expenses	0.00
Total Current Liabilities	<u>0.00</u>
Total Liabilities	<u>0.00</u>
Equity	
924 Net Assets	
924.3 Net Assets-Unassigned	568,666.34
Total 924 Net Assets	<u>568,666.34</u>
 TOTAL LIABILITIES & EQUITY	 <u>568,666.34</u>

Attachment: Monthly Financial Reports 12-31-18 (M1536424x7F824) (5407 : Financials)

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUE AND EXPENSES
December 31, 2018

ORDINARY INCOME/EXPENSE

Income

2116 FEE INCOME	183,123.35
2116.1 PSEG ENERGY REIMB	<u>87,030.18</u>
Total Income	270,153.53

Expenses

6460.1 Salaries and Wages	48,568.00
6460.4 Contractual Expenses	69,537.72
6460.8 Employee Benefits	<u>11,522.40</u>
Total Expenses	129,628.12

NET ORDINARY INCOME

140,525.41

Other Income/Expense

Other Income

2401 Interest Income	339.41
Total Other Income	<u>339.41</u>

NET INCOME

140,864.82

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
 BUDGET VS ACTUAL
 December 31, 2018

	Dec-18	YTD Budget	Variance	Annual Budget
Ordinary Income/Expense				
Income				
2116 Fee Income	183,123.35	57,501.00	125,622.35	57,501.00
2116.1 PSEG Energy Reimb	87,030.18	72,000.00	15,030.18	72,000.00
Total Income	270,153.53	129,501.00	140,652.53	129,501.00
Expenses				
6460.1 Salaries and Wages	48,568.00	48,568.00	0.00	48,568.00
6460.4 Contractual Expenses	69,537.72	75,100.00	-5,562.28	75,100.00
6460.8 Employee Benefits	11,522.40	14,584.00	-3,061.60	14,584.00
Total Expenses	129,628.12	138,252.00	-8,623.88	138,252.00
Net Ordinary Income	140,525.41	-8,751.00	149,276.41	-8,751.00
Other Income/Expense				
Other Income				
2401 Interest Income	339.41	300.00	39.41	300.00
Total Other Income	339.41	300.00	39.41	300.00
Net Income	140,864.82	-8,451.00	149,315.82	-8,451.00

2018 Operations and Accomplishments

Town of Bethlehem Industrial Development Agency

The highlights of the Agency's operations and accomplishments in 2018 are as follows:

- In 2017 the Agency approved financial assistance to Air Products and Chemicals, Inc. for 5.8 acres of a 26.908 acre site at 461 River Road on which a 1200 sq. ft. control room, a 1200 sq. ft. maintenance garage and an 800 sq. ft. office will be constructed in conjunction with the manufacture liquid nitrogen, liquid oxygen and liquid argon for distribution to local industries with an estimated value of \$14,100,000. The financial assistance included a straight lease, exemption from sales tax, and a PILOT agreement based on an enhanced real property tax abatement. This project closed in 2018.
- The Agency consented to (i) the conveyance of the Air Products project by Air Products and Chemicals, Inc. to East Coast Nitrogen Company LLC after completion of the project and (ii) the assignment and assumption of the basic documents. This matter did not close in 2018.
- In 2017 the Agency approved financial assistance to SAE Sun and Earth Energy Incorporated on February 27, 2015, for a 24.1 acre site at 85 Vista Boulevard on which a 16,000 sq. ft. headquarters and /back office and a 10,000 sq. ft. facility for research, development and manufacturing with an estimated value of \$4,858,000. The financial assistance included a straight lease, exemption from sales tax, exemption from mortgage recording tax and a PILOT agreement based on an enhanced real property tax abatement. This matter did not close in 2017. By resolution adopted on February 26, 2016, the Agency extended the expiration date of the Approving Resolution to August 25, 2016. By resolution adopted on August 24, 2016 the Agency further extended the expiration date of the Approving Resolution to November 25, 2016. By resolution adopted on November 18, 2016 the Agency further extended the expiration date of the Approving Resolution to April 25, 2018. This matter closed as of May 1, 2018.
- At the request of PSEG, the Agency agreed to modify an existing easement in favor of Niagara Mohawk Power Corporation at the Bethlehem Energy Center site on Route 144. The purpose of the modification was to give Niagara Mohawk space to install improved transmission equipment on the site.
- The Agency approved a 2019 Service Agreement with the Town pursuant to which the Town provides professional services to the Agency.

- The Agency filed its Audited Financial Statements and Annual Report for 2017 on the Public Authorities Reporting Information System ("PARIS"). The 2017 Audited Financial Statements and Annual report were posted on the Agency's website (www.bethlehemida.com).
- The Agency reviewed its mission statement and posted performance measurements for 2017 on the Agency's website.
- The Agency reviewed its Policy Manual. The Policy Manual continues to be posted on the Agency's website.
- The Agency contracted with Center for Governmental Research to provide a computer program to analyze the estimated costs and benefits of financial assistance provided by the Agency to projects.
- The Agency's standing committees engaged in the following activities: the Audit Committee met twice with the auditor to plan the scope of the audit and then to discuss the audited financial statements; the Governance Committee met once to implement and review the members' assessments of the Agency and good governance practices; the Finance Committee met once to recommend the 2019 budget and to consider the Committee's charter.
- The Agency and the Town continued to jointly fund the position of Economic Development Coordinator (EDC) to work in the Town Department of Economic Development and Planning (DEDP) and to serve and report to the Agency.
- The EDC published two issues of the Economic Development Newsletter.
- The Agency continued to webcast regular meeting and hearings of the Agency which can be viewed on the Town's website. The site includes the agenda, supporting materials and minutes for each regular meeting of the Agency.
- The Agency regularly updates its website including the interactive map of available properties in the Town.
- The Agency, EDC and DEDP Director engaged several local area developers in discussion regarding development opportunities in the Town and called on 42 businesses to discuss incentives and benefits of locating businesses within the Town. Information from the discussions was incorporated into a marketing strategy to attract new development.
- The Agency and the Town held a marketing event at the Hamlet site on New Scotland Road. Seventeen micro enterprise grant recipients presented their products and services in a farmer's market setting.

- The Agency continued to monitor the billing and disbursement of PILOT payments, the proper use of sales tax exemptions, job creation and retention and the return of real property to taxable status at the termination of financial assistance.
- At the recommendation of the Governance Committee, on October 26, 2018 the Agency held a workshop to review the November 11, 2011 Economic Development Strategy prepared by the 20/20 Economic Development Sub-Committee. The members reviewed the Strategy to see what elements were successful and what were not. The Agency expects to update the 2011 Strategy to make it effective for use in 2019 and after.

Authorities Budget Office Issues Report on IDAs' Monitoring of Sales Tax Exemptions

The Authorities Budget Office (ABO) recently released a report on the sales tax monitoring operations of IDAs. The monitoring of sales tax exemptions provided to economic development projects is required after recent legislative changes over the past decade. The review was conducted to determine whether IDAs are effectively monitoring projects' use of sales tax exemptions approved by the IDA and whether they appropriately recapture sales tax exemptions claimed by project owners in excess of board approval. The review found that among the IDAs reviewed, most are not adequately monitoring sales tax exemptions, and that no actions were taken by the IDAs to recapture excess exemptions reported by projects until the ABO initiated a review. The review also identified improvements that should be made in IDA administrative practices, which includes ensuring the reliability of data reported.

For IDAs to effectively monitor a project's use of sales tax exemptions, every IDA should:

1. Include specific provisions in their recapture policies that address the recapture of sales and use tax exemptions claimed in excess of the amount authorized by the board of directors.
2. Ensure that board resolutions and project agreements include the amount of sales tax exemptions authorized by the board of directors.
3. Ensure that ST-60s are issued only for the amounts and time periods authorized by the board of directors.
4. Issue ST-60s to projects only after the board has formally approved the project, with effective dates that reflect the date approved.
5. Establish and follow procedures to monitor the reporting of sales and use tax exemptions by projects.
6. Ensure that they are collecting adequate and reliable sales and use tax exemption information from projects, including but not limited to signed and certified documents, such as the ST-340 submitted to the Tax Department.
7. Recapture any sales and use tax exemptions claimed by projects in excess of the amount authorized by the board of directors and remit funds to the Tax Department.
8. File annual compliance reports (ST-62) with the Tax Department.

In addition, IDAs must post all project agreements and project resolutions on their web sites, in accordance with Section 875 (7) of General Municipal Law as well as the recently issued ABO regulation (19 NYCRR 250) and should ensure that all information reported in PARIS is complete and accurate.

The report is available on the ABO website at www.abo.ny.gov.