

## **2012 Operations and Accomplishments**

### **Town of Bethlehem Industrial Development Agency**

In 2012, there was a surge of development powered primarily by the Vista Technology Campus.

Highlights of the Agency's operations and accomplishments in 2012 are as follows:

- In 2011 the Agency planned and financed Vista Boulevard, a 3/4 mile access road with accompanying water, sewer, utilities, storm water basin and pump station, ("Infrastructure") in the Vista Technology Campus, and in 2012 it obtained title to the real estate and constructed the Infrastructure. The Agency transferred title to the Infrastructure to the Town effective November 2, 2012
- The Agency provided financial assistance to Columbia Bethlehem Berk LLC and Columbia Bethlehem SEF LLC to construct office buildings respectively for Berkshire Bank and SEFCU each with a project cost of \$1,816,890. The financial assistance was in the form of a straight lease and exemption from sales tax, exemption from mortgage recording tax and a PILOT agreement based on an enhanced tax abatement. These two projects closed on May 9, 2012.
- The Agency provided financial assistance to Shop-Rite Supermarkets, Inc. to purchase equipment with an estimated value of \$4,735,000 to be installed in the SRS Bethlehem LLC project. The financial assistance consisted of exemption from sales tax. This project closed on April 16, 2012
- The Agency provided financial assistance to Albany Enterprises LLC for a 15,000 square foot medical office building (Capital Region Eye) with an estimated value of \$3,900,000, in the form of a straight lease, exemption from sales tax, exemption from mortgage recording tax and a PILOT agreement based on an enhanced tax abatement. This project closed on July 30, 2012.
- The Agency received an application from Columbia 5 Vista Blvd LLC. for financial assistance for a 6,000 square foot building with retail uses and an estimated value of \$1,245,000. The Company asked that the Agency withhold action on the application.
- The Agency provided financial assistance to Columbia 14 Vista Blvd LLC for a 6,000 square foot medical office building (Capital Care Physicians) with a value of \$1,565,000 in the form of a straight lease, , exemption from sales tax, exemption from mortgage recording tax and a PILOT agreement based on an enhanced tax abatement. This project closed on November 5, 2012.

- The Agency received an application from Columbia 15 Vista Blvd LLC. for financial assistance for a 15,000 square foot building with retail uses and an estimated value of \$3,261,500. The Company asked that the Agency withhold action on the application.
- Young Men's Christian Association of the Capital District refinanced its project debt, and as a result the bond was terminated, and the Agency was released from the obligations of the financing documents dated June 1, 2005.
- Selkirk Cogen Partners, L.P. refinanced its debt with the result that Deutsche Bank Trust Company was removed as Collateral Agent and RBS Citizens was appointed as successor Collateral Agent; certain Security Documents were assigned to RBS Citizens and certain documents were terminated. The financial assistance provided by the Agency expired on December 31, 2012.
- The Agency consented to (i) the conveyance of the ShopRite project by SRS Bethlehem LLC to 44-74 21<sup>st</sup> Street, LLC and 750 Tenth Avenue Associates, Inc., (ii) the assignment and assumption of the basic documents and (iii) the execution and delivery of a new mortgage.
- The Agency consented to (i) the conveyance of the SEFCU project by Columbia Bethlehem SEF LLC to RSN Bethlehem LLC., (ii) the assignment and assumption of the basic documents and (iii) the execution and delivery of a new mortgage.
- The Agency consented to (i) the conveyance of the Berkshire Bank project by Columbia Bethlehem Berk LLC to RSN Bethlehem LLC., (ii) the assignment and assumption of the basic documents and (iii) the execution and delivery of a new mortgage.
- The Agency authorized the assignment and transfer of the Agency's initial allocation of the state wide volume cap for the issuance of tax-exempt private activity bonds in the amount of \$532,774 to the Town of Bethlehem.
- The Agency approved financial assistance to Finke Enterprises, LLC to construct and equip a 56,000 square foot building for the sale, rental and repair of construction equipment with an estimated value \$7,171,200. The Agency also approved the temporary appointment of Finke Enterprises, LLC as agent for the collection of sales tax. The financial assistance approved includes use of a straight lease, exemption from sales tax, exemption from mortgage recording tax and a PILOT agreement based on a standard abatement. This project did not close in 2012.
- The Agency engaged Michael Morelli as Executive Director and Chief Executive Officer of the Agency and Allen F. Maikels as Chief Financial Officer.

- The Agency continued to support the Town's planning initiatives for the 9W Corridor Study, the Clapper Road Interchange Feasibility Study, the Local Waterfront Revitalization Plan, the Delaware Avenue Hamlet Enhancement Study, the New Scotland Road Hamlet Master Plan, the Open Space Plan and the Agriculture and Farmland Protection Plan.
- The Agency approved a 2012 and 2013 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 2011 on the Public Authorities Reporting Information System ("PARIS"). The 2011 Audited Financial Statements and Annual report are posted on the Agency's website ([www.bethlehemida.com](http://www.bethlehemida.com)).
- The Agency reviewed its mission statement and posted on the Agency's website performance measurements for 2011.
- The Agency revised its Policy Manual to update the Uniform Tax Exemption Policy and to require projects to pay an annual administrative fee of five basis points on the amount of the bonds or the cost of the project. The Agency approved a standard "clawback" document to be used for projects receiving financial assistance. The Policy Manual continues to be posted on the Agency's website.
- The Agency created a standard procedure for advancing a project from application to approval or disapproval.
- The Agency updated its Property Disposition Policy.
- At the Agency's request, the Town adopted a local law amending chapter 11 to indemnify members of the Agency.
- The Agency contracted with Center for Governmental Research to provide a computer program to analyze the estimated costs of financial assistance provided by the Agency compared to the state and regional benefits of a project.
- 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 twice to implement and review the members' assessments of the Agency and good governance practices; the Finance Committee met five times: it revised the committee's charter to include the responsibility to recommend the annual budget to the board, it recommended a revision of the 2012 budget, it recommended the 2013 budget, it reviewed "clawbacks" and recommended that the Agency update its "clawback" policy and it recommended that the board ask the Town to extend its indemnification policy to the Agency.

- The Agency appointed a Consultant Selection Committee for the purpose of finding an independent professional economic development contractor for a one year contract to assist in marketing and to initiate the recommendations of the 20/20 Economic Development Sub-Committee. The Committee advertised an RFQ for the position, interviewed candidates, but ultimately did not engage an individual.