

2020 Operations and Accomplishments

Town of Bethlehem Industrial Development Agency

The highlights of the Agency's operations and accomplishments in 2020 are as follows:

- The most significant event of 2020 was the emergence of the Novel Coronavirus (COVID-19) a pandemic which engulfed the world and changed the way the Agency functioned. In March 2020 the Governor of New York State issued an executive order (202.1) which suspended the open meetings law. Thereafter, for the balance of 2020 the Agency and its committees met remotely via Zoom and webinar programs. The Agency continued to webcast regular meetings 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 participated with other IDAs within Albany County to create a program for financial assistance to small businesses in Albany County in the form of loans and grants to be administered by the Community Loan Fund of the Capital Region, Inc. The concept foundered because at the outset state law did not permit IDAs to make loans or grants. On June 18, 2020 New York State Chapter 109 of the Laws of 2020 amending section 858 of the General Municipal Law ("State Legislation") became effective; the State Legislation authorized IDAs to make loans or grants to small businesses and not-for profit entities for the purpose of purchasing personal protective equipment ("PPE") and other fixtures ("Fixtures") necessary to prevent the spread of COVID-19. Another requirement of the State Legislation was that IDAs could not outsource responsibility for loans or grants but had to assume direct responsibility to make sure that loans and grants conformed to the State Legislation. The Agency decided to create a COVID-19 Small Business State Disaster Emergency Grant Program ("Grant Program") authorized by the State Legislation.
- On August 26, 2020 the Agency approved a Policy, an Application and an Agreement pursuant to the State Legislation. In 2020 the Agency made fourteen grants for PPE and Fixtures for up to \$500. The Grant Program will continue in 2021 and terminate on December 31, 2021. The Applications of Grant recipients and the Agency resolutions authorizing the Grants are posted on the Agency's website.
- In 2020 the Agency approved financial assistance to Cannon Development LLC for a project on a 26.83 acre site at 1381 River Road, Selkirk, NY on which a 28,275 sq. ft. warehouse for crane maintenance and storage will be constructed

with an estimated value of \$3,912,000. 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 project did not close in 2020.

- In 2017 the Agency approved financial assistance to SAE Sun and Earth Energy Incorporated 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 would be constructed 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 project closed on May 1, 2018. In 2019 the Company failed to make certain payments required by the financial assistance documents; the Agency declared the Company to be in default under those documents and terminated its financial assistance to the project. The Agency also determined that a “recapture event” occurred under the documents and that the Agency should recapture the financial assistance provided by the Agency. In a parallel action Pioneer Savings Bank, the construction lender for the project, commenced an action to foreclose its mortgage. A Receiver was appointed by United States District Court. The receivership order was served on the Agency; the order stayed the Agency from enforcing any claim upon the property owned by or in possession of the Receiver and from doing any act to interfere with the Receiver in the discharge of his duties. The Agency suspended its efforts to collect debts of the Company, but the Company continues to be obligated to pay the Agency.
- The Agency consented to (i) the conveyance of the 41 Vista Blvd project (ShopRite) by 44-74 21st Street LLC and 750 Tenth Avenue Associates, Inc. to Started from the Bottom, LLC and (ii) the assignment and assumption of the basic documents. This matter closed on December 30, 2020.
- The Agency consented to (i) the conveyance of a 12 Vista Blvd bank project (SEFCU) by CPI Bethlehem SEF I LLC and CPI Bethlehem SEF II LLC to CNLV II SEFSLNY LLC and (ii) the assignment and assumption of the basic documents. This matter did not close and apparently is not expected to close leaving the ownership unchanged.
- The Agency revised its Uniform Tax Exemption policy to add a new factor in determining whether an applicant is eligible for financial assistance, namely, the extent to which the project will utilize, to the fullest extent practicable and feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.
- The Agency approved a 2021 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 2019 on the Public Authorities Reporting Information System ("PARIS"). The 2019 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 2019 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 update the computer program used 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; additionally, the Audit Committee met to revise the internal control procedures and the Charter; the Governance Committee met once to review and implement the members' assessments of the Agency and to review training and good governance practices. The Finance Committee met three times to revise the 2020 budget and the fund balance policy, to recommend the 2021 budget and to consider the Committee's charter.
- In March of 2020 the Economic Development Coordinator (EDC) resigned and the position remained vacant for the remainder of 2020.
- The Agency regularly updates its website including the interactive map of available properties in the Town.
- The Agency, EDC and DEDP Director discussed development opportunities in the Town with the Port of Albany, NYS Empire State Development, developers and businesses about the benefits of locating within the Town including discussions on 10 possible projects. Information from the discussions was incorporated into a marketing strategy to attract new development.
- 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.