

Town of Colonie Industrial Development Agency

Board Minutes December 17, 2018 Meeting

Meeting called to order by John Kearney, Chairman, at 6:05 pm. Upon conclusion of the Agency's project presentations, the Agency meeting was conducted simultaneously with the Town of Colonie Local Development Corporation meeting due to the common actions necessary this evening.

Members in attendance:

John Kearney, Chairman	
Alison Blessing	Carmino Basile
Eric Phillips (exited 6:50 p.m.)	Benjamin Syden

Members absent:

Peter Gannon	Gary Rinaldi
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Other Persons in attendance:

Agency Counsel: Connie Cahill, Barclay Damon LLP

Chief Executive Officer: Joseph LaCivita

Chief Fiscal Officer: Christopher Kelsey

Project Representatives:

Capital Region BOCES Project -

Joseph Dragone, Senior Executive Officer, Capital Region BOCES

Debra Lambek, Project Counsel, Segel, Goldman, Mazzotta & Siegel, P.C.

Jonathan DeForest, Principal, BBL Construction Services

Ultimate Fun Factory Project -

Keith Ferraro, Partner, UFF II, LLC Project

Justin Miller, Project Counsel, Harris Beach, PLLC

Guests: Linda Murphy, Town of Colonie Deputy Supervisor

Mr. Kearney indicated we would be moving the project presentations to the beginning of the agenda this evening rather than waiting until we got to "Old and New Business."

Project Presentations -

Capital Region BOCES Project:

Mr. LaCivita first introduced the representatives from the prospective Capital Region BOCES (BOCES) Project and asked Mr. Dragone to summarize the potential project.

Mr. Dragone indicated BOCES services 24 member school districts and this particular project is looking to centralize the services for its special education services. These services

are housed in approximately five locations spread across the capital district from Schenectady to Shalomont. In many cases the condition of the space is less than desirable for the children. This project would construct a new two story building to provide appropriate learning conditions for the children and to allow BOCES to capitalize on the benefits of centralized services. BOCES would like to occupy the building by July 1, 2020.

The proposed project would be new construction on vacant land located at 10C Airline Drive. BBL Construction Services (BBL) would retain ownership of the building and lease it to BOCES until the point when BOCES could afford to purchase the building. At this time BOCES cannot coordinate purchasing the building outright because it would take the approval of all 24 component schools, and the debt would need to be issued by those schools.

Under the rental situation BOCES can pass the rent back to the component schools within the existing fee structure. Mr. DeForest then presented the plan for the building and its location on the parcel of land. As it is designed today it creates no open space issues and requires no variances or waivers from the Town.

As the building will be owned by BBL, BBL will be the applicant and will be requesting sales and mortgage tax exemptions and a 15 year payment in lieu of taxes (PILOT). The PILOT is proposed to provide the current level of property tax as paid today annually for the first 7 years and then phase up to full exemption from years 8 to 15. It is anticipated the BOCES would purchase the building around the seventh year, and it would become fully tax exempt at that point.

Mr. Syden inquired as to how many children would be served at the location and the number of jobs that would be created in the Town. Mr. Dragone indicated that approximately 100 children would be served by 80 employees, of which there would be only a few new positions. Ms. Cahill clarified as to the number of employees currently within the Town and Mr. Dragone indicated none currently worked within the Town so all would be transfers from outside the Town of Colonie. It was also noted that any benefits granted ultimately benefit the 24 component school districts because BOCES is technically a break even entity.

Mr. Phillips indicated as this project was located within the South Colonie Central School District the Agency would like BOCES to speak to the school district about the PILOT before the Agency takes any action on it.

The project representatives thanked the Agency for their time this evening and looked forward to submitting an application in the near future.

Ultimate Fun Factory Project:

Mr. Kearney welcomed Mr. Ferraro back this evening. Mr. Ferraro thanked the Agency for allowing him to return this evening with his new counsel Mr. Miller and additional information he was not aware he would need when he presented in October.

The Project currently has a contract to purchase land at 941 Albany Shaker Road, pending Town Planning Board approval of the project, to construct an indoor entertainment venue with 9 separate components. The venue would include items like laser tag, arcade, ninja

warrior course, fast food service, among other items. It would be marketed toward an older late teen-young adult demographic, but would also be used by all age groups.

Mr. Miller indicated that while this project is a retail project, they believe it qualifies for Agency benefits under two of the exemption criteria, 1) that there is nothing in the economic development region like this facility, in fact the closest is in Lancaster, Pa.; and 2) it will be a tourism draw from within and outside the economic development region. Mr. Ferraro distributed internally generated marketing and sales statistics from his Queensbury, NY facility to support this fact.

Mr. Phillips inquired as to the job creation the facility would bring to Colonie. Mr. Ferraro stated it would create 4 full time management/operations jobs and around 80 to 100 part-time jobs. The full time positions would be in the \$70,000 to \$100,000 wage ranges and the part-time jobs would be minimum wage, or market driven. Mr. Phillips indicated the job market for the high school/secondary education seasonal workers was very competitive within the Town.

Ms. Blessing inquired as to whether he is expecting significant reduction in draw for his Queensbury facility if Colonie were to open? Mr. Ferraro indicated he expected some but felt it was not significant, and he was hoping for potential cross sales between the facilities. Mr. Basile questioned the admission revenue expected to be generated? Mr. Ferraro indicated he expected 140,000 people annually in the Colonie location, but understands all would not be admission paying. The Queensbury facility currently generates about \$1.25 million from about 125,000 paid admissions.

As the cost of acquisition and construction for this project is about \$8.5 million they are requesting mortgage recording tax and sales tax exemptions and a 10 year payment in lieu of taxes agreement. Mr. Phillips indicated the Agency is going to want to hear the South Colonie School District's opinion on the project and resulting payment in lieu of taxes. Ms. Cahill indicated Mr. Miller should speak to Ms. Sherry Fisher at the school district.

Mr. Syden highlighted the reasons the Afrim's project was approved by this Agency earlier in 2018 and indicated that Boards request of an independent economic data a tourist destination study be completed for the project. This could not be done through Camoin Associates as they were already under contract with the Agency.

Mr. Miller summarized the two items that needed to be completed before the Agency would take up discussion of the project as a discussion with South Colonie Schools regarding the PILOT and the economic/tourism study. Mr. Syden confirmed this understanding.

Mr. Ferraro thanked the members for their time this evening and that he hoped to be back before them within the next few months.

Mr. Phillips exited the meeting due to a previously scheduled work commitment.

Approval of the Minutes

Mr. Kearney indicated the draft of the October 15, 2018 minutes were in the Board packets for review.

MOTION: To accept the October 15, 2018 minutes as provided. Motion offered by Alison Blessing and seconded by Benjamin Syden. Motion was unanimously approved by the members in attendance.

2019 Meeting Calendar

Mr. LaCivita distributed the 2019 proposed meeting calendar based on a review of past practice and 2019 holidays. He has proposed 6 meetings, with the ability to add more as needed, for the third Monday of the month. In January 2019 he proposed the fourth Monday due to the Martin Luther King holiday. It was discussed that several members had a conflict for that proposed date but the first Monday in February was fine. It was also discussed that all meetings other than the March 18, 2019 meeting would be held at 347 Old Niskayuna Road and begin at 6 pm. The March 18, 2019 will still begin at 6 pm, but will be held at Colonie Town Hall.

MOTION: To adopt the 2019 meeting calendar for the Town of Colonie Industrial Development Agency as follows, with all meetings scheduled to begin at 6:00 pm, and the ability to schedule additional meetings as necessary:

February 4, 2019	March 18, 2019
June 17, 2019	September 16, 2019
October 21, 2019	December 16, 2019

Motion offered by Benjamin Syden and seconded by Alison Blessing. Motion was unanimously approved by the members in attendance.

NYS Economic Development Council Conference

It was noted that the Conference will be held at the Albany Capital Center on January 16 and 17, 2019. Mr. LaCivita will let the members know when he has registered so anyone that is interested in attending can register at the reduced price. Mr. Syden encouraged all the members to attend at least a portion of the Conference since it is local this year.

Chief Fiscal Officer's Report

Mr. Kelsey distributed, and reviewed, the internal financial reports for the eleven month period ended November 30, 2018. He indicated the Agency should finish the year with positive operating results.

Mr. Basile asked him to report on the independent auditor selection. Mr. Kelsey indicated the request for proposal had been issued in October with a November 13, 2018 response date. Three responses were received from very qualified entities, and the decision ultimately came down to price. While Mr. Basile prefers to change auditors every so often as a personal preference Mr. LaCivita and Mr. Kelsey could not justify paying more just for the sake of change. Therefore the request for proposal was awarded to BST & Co. CPAs, LLP as the lowest cost provider at \$8,500 per year. The other request for proposal responses came from Marvin and Company, at \$10,000 per year, and EFPR Group LLP, at between \$9,800 and \$10,500 per year.

Old Business

- a) Board Retreat and Strategic Plan – Mr. Syden and the members reviewed the discussion on this topic from the October 2018 meeting and also the impact of open meetings laws. Ms. Cahill indicated this meeting would be open to the public and would have to be noticed as a meeting of the Agency. The members indicated this was not inherently a problem for any of them and a subcommittee should be formed in 2019 to see that this is scheduled.
- b) Activities of Similar IDAs – Mr. Gannon was unable to attend this evening but the members did indicate they were still working through the binders provided at the October 2018 meeting.

New Business

Mr. LaCivita brought up the idea of the Agency, or the Local Development Corporation, funding the passive development of the Stump Pond open space located off of Sand Creek Road. The members were concerned the Authorities Budget Office would not look favorably on the project, but Ms. Cahill would investigate if such a project was allowable under current standards.

Meeting adjourned at 7:40 pm.

Next meeting will be February 4, 2019 at 6:00 pm at 347 Old Niskayuna Road, Latham, NY 12110.