

Town of Colonie Industrial Development Agency

Board Minutes  
January 23, 2012 Meeting

Meeting called to order by Vice Chairman DeLuca at 6:34 pm.

Members in attendance:

Dave DeLuca	John Kearney
Gary Rinaldi	Sharon Bright Holub
David Hernandez	Benjamin Syden

Members absent:

Vacant Position formerly held by David Rowley

Bond Counsel: M. Cornelia Cahill, from Hiscock & Barclay, remotely via teleconference

Chief Executive Officer: Joseph LaCivita

Guests: Michael Magguilli, Town Attorney  
Craig Blair, Town Comptroller and IDA Assistant Treasurer  
Christopher Kelsey, Town Accounting Supervisor  
Stanley Fleishman, CEO Jetro Restaurant Depot

**CEO Report:**

**Jetro Restaurant Depot:**

Mr. Fleishman was introduced to give a presentation on Jetro Restaurant Depot's project to build a 60 thousand square foot wholesale food distribution center on 6 acres on vacant land on Railroad Avenue.

Restaurant Depot provides products to restaurants, typically mid-sized non-chain, on a wholesale and some retail basis on a non-credit, non-delivery basis. Therefore does not generate a significant amount of sales tax. .

It is currently has 89 stores in 28 states serving about 400,000 customers and employs approximately 6,700 employees, which are covered by several unions depending on locality. The Colonie facility is expected to open with 35 employees and grow to 50 employees within three to four years. Employees would be a mix of some management and union. Typical salaries would be in the \$60,000 range and hourly rates would be around \$10 per hour. The Colonie location is estimated to service about a 15 mile area and have 1,600 customers within three years.

The entity has been looking for property in the Albany/Colonie area for about three and a half years. They are looking to close on the Railroad Avenue property within about two weeks and typically open operations within 12 months.

Restaurant Depot is looking for exemptions of sales and compensating use tax, mortgage recording tax, and a PILOT agreement. Right now they are just looking to the IDA to see whether or not it is willing to support the project.

Discussion on the PILOT agreement ensued regarding whether the entity would qualify for the PILOT under the "Grow Colonie Program", the "Enhanced Grow Colonie Program" or would require Board action to deviate from the established programs. Further discussion will need to take place at the February meeting on potential PILOT arrangements.

Connie Cahill noted if they were closing on the property within two weeks that the IDA could not act soon enough to exempt them from the mortgage tax, which was fine with Mr. Fleishman. Once the project is through the Town's planning process the IDA can then act.

**MOTION made to approve a preliminary inducement subject to the Town planning process and SEQR results by Benjamin Syden, seconded by John Kearney, and unanimously approved.**

Joe LaCivita did confirm with Connie Cahill that this would need a public hearing before final approval of the project.

Joe LaCivita then continued with his CEO report for this month:

**DuraVent :** is a Netherlands based venting technology company with operations currently at 400 South Pearl Street in Albany. They are developing a new technology for pipe venting and want to move this operation to 10 Jupiter Lane as it is outgrowing its current location.

It would be moving 40 jobs from its Albany location which would later grow to about 200 employees. They currently use between 2 and 3 shifts depending upon seasonality.

The total investment would be in excess of \$2 million and looking to move into the space by June of 2013 when the current lease ends.

The landlord for 10 Jupiter is currently working with Empire State Development Corp.

Discussion ensued regarding the IDA's interest and it was determined that IDA would have interested but would need to work with the landlord not the entity.

**PepsiCo:** is looking to install new manufacturing equipment and make building improvements at its 1 Pepsi Cola Drive facility. The total investment on the project by the Company is estimated at about \$15 million. Employment would be slightly increased.

Looking for sales tax exemptions and possibly a PILOT if approved by the IDA.

Joseph LaCivita stated that the IDA will be doing the SEQR internally and that PepsiCo is also working with the Empire State Development Corp.

Members would like to see the economic impact study for the project before going forward.

**Shelter Cove:** is an approved residential development of 111 single family units and 200 units of condominiums or apartments on about 75 acres of land along the Mohawk River behind and North of the existing Troy Landscape Center on Route 9. There will be recreational components including bike path.

The developer is looking for sales/mortgage tax exemptions and a PILOT agreement from the IDA.

Discussion ensued as to the economic benefit of the project and whether it should be an IDA or LDC project.

Joseph LaCivita suggested that he and Connie Cahill examine the project done by the Cohoes IDA for the People's Island project and continue discussion at the February 2012 meeting.

**Cyclics Corporation and Tire Conversion Technologies:** are both looking to expand the facilities at 874 Albany Shaker Road where they manufacture products from recycled materials.

Cyclics works in resins to in the injection and compression molding process and are working in the production of trailers.

TCT produces construction and consumer materials using crumb-rubber from used tires. Some of the products they produce are used in the solar power industry.

The entities are looking for about \$700,000 in working capital financing.

Connie Cahill brought up the issue that the ABO currently does not allow IDA's to grant funds. Even if the LDC were to establish a revolving loan fund to allow funding of such projects it cannot be done because the IDA cannot grant the LDC funds.

Further discussion was tabled until the February meeting.

**Approval of the Minutes:**

**MOTION: to accept the December 12, 2011 minutes as provided was made by John Kearney, seconded by Gary Rinaldi, and unanimously approved.**

**Committee Reports:**

Governance Committee – No report

Audit Committee – Committee Chairman DeLuca provided the Board with the Committee's recommendation of accepting Bollam, Sheedy, Torani & Co.'s arrangement for audit services for the year ended 2011. BST will do both the IDA and LDC for the proposed fee of \$13,250

**MOTION: to accept the Committee's recommendation was made by Gary Rinaldi, seconded by Benjamin Syden, and unanimously approved.**

Additionally, Craig Blair distributed the preliminary December 31, 2011 financial statement pages for the Board's review.

**Unfinished Business:**

- a) Sharon Bright Holub confirmed that the next LDC board meeting would be in February.
- b) Craig Blair, Mike Magguilli and Joe LaCivita discussed the Town Supervisor's request that the IDA consider funding the River's Park organization at the same level as the City of Cohoes (about \$5,500) as a sign of good faith. As discussed in the past the Town is required to be a member, but not to pay its sizeable assessment. The Town is scheduled to pay the most of any member and has received little to no benefit from the organization.

No action taken at this time to be discussed again in February.

Meeting adjourned at 8:07 pm

Next meeting will be February 27, 2012 at 6:30 pm