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TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY

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In the Matter
of
A Public Hearing on the Application of COMPUTER SCIENCES
CORPORATION, Consideration of the PICOTTE Extension and
Presentation by the Albany Colonie Chamber of Commerce

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TRANSCRIPT OF PROCEEDINGS had at a public
meeting of the Town of Colonie Industrial Development
Agency held at the Public Operations Center, 347 Old
Niskayuna Road, Latham, New York on the 2nd day of June,
2008 commencing at 6:30 p.m.

P R E S I D I N G:

MARC HANNIBAL, Chairman

P R E S E N T:

BARRY BERBERICH, Member

KENNETH CHAMPAGNE, Member

DAVID DeLUCA, Member

GARY RINALDI, Member

CORNELIA CAHILL, ESQ., Counsel

1 P R O C E E D I N G S

the

2 MR. HANNIBAL: I would like to begin
3 public hearing into the application for Computer Sciences
4 Corporation.

5 Can we start by having verification of
6 the public notice?

7 MR. JOSEPH LaCIVITA: We have it right
8 here.

dated

9 That was posted in the Times Union
10 May 2nd.

11 We will submit that into the record.

12 MR. HANNIBAL: I am Marc Hannibal,
13 Chairman of the IDA.

14 If the IDA members would like to give
15 their names?

16 MR. DeLUCA: Dave DeLuca.

17 MR. CHAMPAGNE: Ken Champagne.

18 MR. RINALDI: Gary Rinaldi.

19 MR. BERBERICH: Barry Berberich.

20 MR. LaCIVITA: Joe LaCivita, Executive
21 Director.

Connie

22 MR. HANNIBAL: And our Counsel is

23 Cahill.

Are there representatives of CSC here?

1 MR. MARK SIMONSEN: Yes.

2 I'm Mark Simonsen, I work for CSC.

3 MR. RICHARD EADS: Richard Eads, I
work
4 for ADP.

5 MR. HANNIBAL: Would you like to give
us
6 a brief presentation?

7 MR. EADS: First of all, on behalf of
8 myself, ADP, and Mark, CSC, I want to thank everybody for
9 taking the time to meet with us after hours of the
business
10 day here, and also for considering our application, and
11 also Joe, who we've had innumerable e-mails and also met
12 with us a couple times about this project.

13 For those of you who may not be
familiar

14 with the term CSC, it is Computer Sciences Corporation.
CSC

15 is one of the largest IT outsourcing solutions companies
in
16 the U.S, if not in the world. I believe they have
17 approximately 90,000 employees in over 80 countries.

18 Personally, I'm doing work for CSC all
19 over the United States right now on a number of projects.

20 With respect to their local operations
21 here, CSC is primarily centered in Rensselaer County
right

22 now. They operate a facility at 1 CSC Way over in
23 Rensselaer. In that facility they fulfill a number of
24 contracts, most notably the New York State Medicaid

1 contract for the Department of Health.

2 Beginning sometime around the fall of
3 last year CSC was notified by it's landlord, Regeneron,
4 that it was not going to renew their lease at the end of
5 2008. Regeneron, I think everybody has read about
6 Regeneron in the newspapers, it's an up and coming
biotech
7 company, it is expanding fairly rapidly. For reasons
8 unbeknownst to us, they have notified CSC that they need
to
9 vacate that facility at the end of the year. So, that
10 started a site search in the region here for CSC to
locate
11 their operations. CSC operates a fairly sizable data
12 center over there which needs to be relocated. That
13 facility is up 365 days of the year, 24 hours a day, 7
days
14 a week; there is absolutely no down time. So,
essentially
15 what is happening, CSC will recreate the data center some
16 place else before it pulls the plug on the existing
17 facility to make sure there is no interruption of
service.

18 It has been identified that the data
19 center component will stay in Rensselaer County, albeit
in
20 a different facility on Columbia Turnpike, and what was
21 left behind, or what was yet to be relocated was

for 22 essentially the offices of the administrative component

23 the operation in Rensselaer County.

24 In looking for a facility, a number of

1 facilities were looked at in the Capital region in Albany
2 County and Rensselaer County. Ultimately, we were led to
3 the Riverview facility in Menands where CSC is now
4 proposing, as stated in their application, a little over
5 ten million dollars in capital investment, facilities,
6 equipment, furniture, fixtures, et cetera.

7 That facility, obviously, needs to be
on
8 line by the end of the year when they vacate the existing
9 facility in Rensselaer.

10 With respect to employment and
payroll,
11 we anticipate that within two to three years we expect
the
12 total head count in that facility to be approximately
400,
13 not including approximately 85 State employees that work
on
14 site. So, there will be a total head count approaching
15 485, 500.

16 The total payroll associated with
those
17 jobs is approximately 25 million dollars, associated just
18 with the 400 CSC employees that would be there. Also,
just
19 to kind of give you a sense of the breakdown, we used a
20 total payroll of 25 million, that's an average salary of
21 roughly \$62,000 a person. So, these are high-paying jobs

22 that will be coming into the community.

23 In terms of the types of positions,

24 there will be everything from systems engineers and

1 architects to executive professionals, managerial. In
2 terms of the professional managerial category, we would
3 estimate there is roughly 260, plus or minus, positions
4 there. The balance of 140 or so positions are the
5 semi-skilled, or unskilled type positions.

6 Of the 403 right now, when we put this
7 application in back several months ago there was roughly
8 about 50 plus positions that were either open positions
9 new jobs that will be created that don't exist today.

or
So,

10 it is not just a matter of transferring 400 people, there
11 is some new job creation involved as well.

12 MR. SIMONSEN: We have a contract
13 amendment in front of the State Department of Health.

When

14 that is approved we will be adding these other jobs; we
15 expect that any day.

16 MR. EADS: Like I said earlier, back

in

17 the fall when CSC was notified that they needed to vacate
18 that facility, what it meant was that CSC would have to
19 take on a very expensive relocation project they were not
20 anticipating. So, what we are asking for tonight, what

we

21 have asked for and it has been favorably received in
22 Rensselaer County, is relief from the sales and use tax

23 during construction and equipping of the project.

24 With respect to the Colonie portion of

it
we
save

1 the project based on the ten million dollar budget which
2 looks like that budget number might actually come down,
3 hope it comes down because obviously we are trying to
4 as much money as possible, I think we estimated the sales
5 tax exemption as a little over \$600,000.

6 Unless anybody has any questions?

7 MR. DeLUCA: Can you walk me through
8 where you came up with the \$600,000?

just

9 I understand the equipment. I was
10 curious about the building components.

11 MR. EADS: When we put the application
12 together we stuck to the format that was in the
13 application. Essentially what we did is we went down
14 through the budget that you see here to another layer of
15 detail to carve out those items that we thought would be
16 taxable.

17 MR. DeLUCA: I was looking at the
18 building component, that's a large part of it, I would
19 assume that would be exempt because it is capital in
20 nature.

21 MR. EADS: Materials would be taxable.
22 Obviously, there was an estimate made there to figure out

we 1 We're not going to know what the real numbers are until
2 get in; you know, if we find out there is an engineering
3 issue in the space we didn't anticipate that could
4 certainly increase the budget.

have 5 MR. LaCIVITA: In the agreement you
6 with Riverview Center you are doing all the renovations
7 yourself, it's not going to be charged back?

8 MR. EADS: I believe we are doing it,
9 yes, through a contract.

you 10 MR. DeLUCA: What kind of lease are
11 looking at, term to term?

year 12 MR. EADS: Right now we have a five
13 lease with multiple renewal options, options that go out
14 to, I want to say 2015 or 2018. The intention is not to
15 move again, it's very expensive to move. However, the
16 contracts we have do not go on for 15 or 20 years at a
17 time. It's consistent across CSC locations, we try to
18 mirror lease terms with contract terms.

with 19 MR. SIMONSEN: We've had this work
20 the State since 1986. We're in our third contract.

21 MR. DeLUCA: Did you say there is
22 renewals?

23

MR. SIMONSEN: Yes. The contract is

24

typically five to seven years long, and then there is one

1 and two year options after that. Other times the
contracts
2 are extended for things like HIPPA, Y2K, things like that
3 cause the State to extend us even outside the normal term
4 of the contract.

5 MR. HANNIBAL: In the process right
now
6 you are on the third contract?

7 MR. SIMONSEN: We're on our third
8 contract. It started out to be a six year contract. It
9 had three year extensions that were applied to it that we
10 are in right now. This amendment that we have that we
11 already have agreed to with the New York State Department
12 of Health will add three years to that. So, it will
13 effectively be an eleven year contract still with
extenders
14 on the end of it. That is at the Comptroller's office
15 right now.

16 MR. HANNIBAL: Any other questions
from
17 the Board?

18 MR. CHAMPAGNE: Why is ADP
representing
19 you?

20 MR. EADS: Do you want to answer this?

21 MR. SIMONSEN: Yes.

22 I am one of the executives on the

23 contract and I don't routinely work with IDA issues.

24 CSC, being the large company that it is and operating

1 certainly in the United States and other places, we hire
2 contractors to handle things like this because I would
have
3 to fight my way through all this paperwork and
applications
4 and understand how to fill it out, and Richard and his
5 organization are experts at it. He travels the country
6 working for CSC.

7 MR. EADS: I actually work directly
for
8 CSC's corporate real estate department.

9 MR. CHAMPAGNE: I didn't understand
you
10 did that kind of work. I expected a legal firm instead.

11 MR. EADS: I actually worked for a
small
12 consulting firm. About two years ago ADP acquired us. I
13 didn't know ADP did that before either. Coincidentally,
I
14 live in Clifton Park.

15 MR. HANNIBAL: Thank you.

16 What is next?

17 MR. LaCIVITA: The typical process
would
18 be that we would end up deliberating until the next
meeting
19 to approve it. There is an option that you can use,
Connie

20
approval

and I discussed it earlier, where if there was an

21 today on it they could actually take the sales tax going
22 forward.

23 MS. CAHILL: I brought resolutions if
24 the Board wants to go through.

of
any
location.

1 MR. BERBERICH: Marc, in the interest
2 full disclosure, I will abstain and recuse myself from
3 vote on this particular transaction because I work for a
4 company that is a subcontractor to Computer Sciences
5 Corporation, and the staff from our company will be
6 affected by the move from one location to another

7 MR. HANNIBAL: Thank you for bringing
8 that to our attention.

9 MS. CAHILL: This would be a
resolution
10 approving, as representatives of the company suggested,
11 they are looking for a sales tax exemption only.

12 So, this goes through Whereas; Whereas
13 the IDA has certain powers, Whereas the company has
14 submitted an application, we caused a Notice of Public
15 Hearing to be mailed to the tax jurisdictions, caused it
to
16 be published in the Times Union, so now if you want to
17 proceed with the project what you actually would be
18 approving would be the underlying document whereby the
IDA
19 has to take some kind of legal interest in the project,
20 take some kind of lease interest in the piece of the real
21 estate project that the company will be occupying, as
well

22 as an interest in the equipment they're buying, and then
23 immediately lease it back. So, it's a lease, lease back,
24 which is allowed under the IDA statute. The equipment

1 actually gets sold to the IDA pursuant to a Bill of Sale.
2 Then the company is building out the facility, buying the
3 equipment, as the IDA agent. By acting as the IDA's
agent,
4 they are entitled to a sales tax exemption on anything
that
5 otherwise would be subject to sales tax.

6 In this case, the company has
indicated
7 it's approximately \$600,000 in savings.

8 There is no PILOT here, so we will not
9 file the RP-412-a that normally would be filed so there
is
10 no confusion that we are not talking about a PILOT here.

11 You have made the determination, you
12 have the power to do this, that the acquisition,
13 construction and installation of the project promotes and
14 maintains job opportunities in the Town of Colonie, and
15 promotes the general prosperity and economic welfare of
the
16 residents of the Town.

17 This is one where because they are
18 moving from one area of the State to the other you have
to
19 make a determination that can be based on the
application,
20 which is what it says it's based on, that the project is
21 reasonably necessary to preserve the competitive position

22 of the company in its industry. What the Statute doesn't
23 allow you to do is poach from other jurisdictions. Here
24 they are being forced out of their facility, as they

1 represented to you, and in order to maintain their
2 competitive advantage they need to move somewhere and
this is a site that works for them.

3
4 Once you make those determinations,
the resolution says you will take a leasehold interest in the
5 facility, you will lease the project back to the company,
6 you will authorize them to acquire, and construct, and
7 install the project, you will authorize the execution of
8 documents, and you authorize the Chairman of the Agency
to go ahead and execute the documents.

9
10
11 Because the company wants to get going
12 quickly, you also have the option starting in Section 8
13 which says you will appoint them as the temporary agent,
14 even before we do the documents, to immediately begin
15 acting as your agent for sales tax purposes, assuming
that they comply with certain requirements which would include
16 getting an insurance certificate, paying a portion of the
17 fee upfront, and agreeing to indemnify you if for some
18 reason someone slips and falls on the property during the
19 period it is in the IDA the company has to indemnify you.

20
21 So, you have that option. You will
22 notice in 8 there is a bracket that is blank, you can set

23 that option for 30 days, or 60 days, whatever period of
24 time we think is necessary to get the documents executed.

1 Now, before we even get to this
 2 resolution, I will be happy to take questions in a
 moment,
 3 there is another resolution that you would have to pass
 4 because before the IDA can act on any project you have to
 5 comply with the SEQRA. Now, in this case all we are
 6 talking about is interior renovations. They are not
 doing
 7 anything exterior to the building. Under SEQR there is
 8 different classifications, Type I and Type II. Type II
 9 requires no SEQR examination because you are saying all
 we
 10 are doing is renovation and reconstruction work.

11 So, I have that resolution also for
 your
 12 consideration.

13 MR. DeLUCA: Do we have affirmation
 that
 14 is, in fact, the case?

15 MS. CAHILL: The application from the
 16 company says that and I think that we can certainly ask
 for
 17 additional clarification.

18 The operative provision that you
 really
 19 want to look at here is number 2 on the second page, "The
 20 proposed project represents maintenance or repair or

is 21 rehabilitation or reconstruction of a facility" and that
22 one of the definitions of what is a Type II action. So,
as 23 soon as you decide it is a Type II action you are not
24 issuing a Negative Declaration. You're saying interior

1 renovation, how could that possibly change the
2 environmental impact of something. It was sort of office
3 space before, it is still going to be office space, just
4 configured differently.

5 In other situations where you might be
6 involved in larger projects, building a new building, it
is likely the Town Planning Board would take Lead Agency
7 status and they would do the SEQR for you. Here, where
8 there is no necessity for the applicant to go before
9 another agency, there is nobody else to take that
10 obligation on, so the IDA is it.

11 I know that was a lot. I'm happy to
12 walk through it section by section, or answer any
13 questions the members may have.

14 MR. LaCIVITA: I believe this permit
15 comes through our Building Department, but it also goes
16 through the Village of Menands.

17 MS. CAHILL: That's an administrative
18 action so that doesn't trigger SEQR. So, there is not
19 another entity in the Town or the Village that would be
20 looking at the environment.

21 MR. DeLUCA: Riverview Plaza, LLP, the
22 owner of the building, is not a party to any of the
23

24 contracts?

1 MS. CAHILL: No.

that

2 There may be something in the lease
3 requires Riverview if they're going to do this lease to
4 approve it.

5 MR. EADS: They're aware that we are
6 making application here and what we're trying to
7 accomplish, so we feel pretty confident they're not going
8 to stand in the way of this transaction.

9 MR. DeLUCA: I was just curious to see
10 mechanically whether they had to be part of it.

11 MS. CAHILL: No.

12 MR. HANNIBAL: Connie, to the extent
13 that we can condition anything as temporary agent status,
14 what typically could we do, could we do 30 days, 60 days?

the

15 MS. CAHILL: We certainly could get
16 documents done in 30 to 45 days. It doesn't have to be a
17 long period of time. I understand they are anxious to
18 started. I would say 30 to 60 days is something that
19 certainly we would be comfortable with.

get

20 MR. EADS: If I could just comment on
21 that.

22 Our experience in Rensselaer County is

than 23 that sometimes the review period takes a little longer
24 we wanted, this would be the second time CSC has gone

The

1 through a transaction with the IDA in New York State.
2 attorneys have really taken a sharp pencil and looked at
3 all the documents. So, as long as there would be
4 flexibility to extend that time line to get the documents
5 done.

vote

6 As far as the effective date of the
7 exemption, that would be this evening if, in fact, you
8 to approve the project?

9 MR. HANNIBAL: It would begin
10 immediately.

11 MS. CAHILL: It would be just a matter
12 of getting the insurance certificate.

13 MR. EADS: One of the items we brought
14 up before, it's a situation we ran into in Rensselaer,
15 again, it all stems back to the fact that this wasn't a
16 project where we have a lengthy planning cycle, the
17 landlord said we have to get out so we scrambled around
18 looking for facilities.

to

19 The situation we find ourselves in in
20 Colonie is the same one we found ourselves in in
21 Rensselaer; because of the schedule, because of the need
22 vacate the facility we have already started to do some of
23 the work already. So, we would like to see if we could

24 have the effective date moved back to, perhaps, the first

1 time the Board accepted our application or we submitted
it,
2 subject to the, I'll call it the cap, or the \$100,000
limit
3 that then triggers the necessity for a public hearing.
4 What we're asking for is if the Board would consider
5 providing, or extending that temporary sales tax
exemption
6 subject to a \$100,000 cap up until the date of this
7 hearing, then certainly the balance of the exemption from
8 the date of this hearing going forward without guaranty
or
9 warranty on that earlier exemption because when we
started
10 this discussion with the Town, I think we first met with
11 Joe back as early as February to talk about the project.
I
12 think we submitted the application early in April. We
have
13 been moving as quickly as we could given our constraints
14 in terms of vacating the facility, and also looking at
the
15 schedule in terms of this Board and it's meetings.
16 I just kind of wanted to throw that
out
17 there as a request. If the Board doesn't feel
comfortable
18 doing that, we understand that, we appreciate whatever
19 assistance you would like to extend, but if that was an

20 option we want to put that request in.

21
understanding

MR. LaCIVITA: I guess my

22 we were thinking of moving forward from today. Have you

23 been doing work on the site now?

24 MR. EADS: Actually, we have started

had 1 doing some work. We've had to commit funds. We really
2 no choice. Based on the conversations we've had to date,
3 and certainly we felt that there was a supportive
4 environment here. We really had no choice but to move
5 forward. Certainly, we placed ourselves at risk in terms
6 of hoping that this Board would look favorably upon our
7 request and grant us the relief that we're asking for.

a 8 MR. HANNIBAL: Any Board members have
9 comment?

10 MR. CHAMPAGNE: I would just like to
11 hear the voice of counsel on that request.

12 MR. HANNIBAL: If we were to move with
13 this resolution we would be going forward on a temporary
14 basis, they would come back before us again?

no. 15 MS. CAHILL: They would not have to,
16 They would go right to documents and permanent exemption
17 during the construction period.

18 MR. HANNIBAL: Is there any way at a
19 later date after we have reviewed this to go back - -

Department 20 MR. SIMONSEN: The State Tax
21 only lets you go back a certain amount of time and they
22 limit the dollars that they will allow for that earlier

23 time period.

for
24

MR. CHAMPAGNE: Is there a precedent

1 this?

2 MR. EADS: We just did this in
3 Rensselaer County. In fact, we are probably on the verge
4 of closing on it.

5 MR. CHAMPAGNE: Does counsel know of
6 such precedence?

7 MS. CAHILL: Certainly, people
sometimes
8 ask for such things. At the first resolution the Board
can
9 say yes, you can start your temporary today up to
\$100,000.

10 I have not had experience where after
11 the fact someone asks to go back. I just have not done
12 that before; I'm not saying you can not do it.

13 MR. DeLUCA: Maybe you can articulate,
14 in terms of April 28th when we had our first meeting on
15 this, had you spent up to that point in time \$100,000?

16 MR. EADS: No, we only started working
17 the last couple weeks.

18 MS. CAHILL: Do you know what date it
19 was that you first started spending money?

20 MR. EADS: We started work on
21 expended,
22 or committed approximately 1.7 million. I don't know
what

23 percentage of that is actually taxable or not.

24 Again, we weren't aware of it being an

1 issue until we saw the tentative schedule that Joe laid
out 2 for us in terms of the approval process. Once we got a
3 look at your meeting schedule and how it meshed with our
4 schedule, we realized all of a sudden that if we could -
-
5 to the extent we can get an exemption, we would like to
get 6 as much as we can get as soon as we can get it, given our
7 constraints.

8 MR. SIMONSEN: We had to start because
9 we have some people that need to be in there in October.

10 MR. LaCIVITA: Have you executed the
11 lease?

12 MR. EADS: Yes, we have.

13 They are aware that we are applying
for 14 exemptions from the Town. We asked for certain
15 contingencies in the lease and the landlord was okay with
16 it.

17 MR. LaCIVITA: We're looking at a
couple 18 weeks.

19 MS. CAHILL: It's not much. I don't
20 really think it is problematic.

21 MR. HANNIBAL: Any further discussion?

22 (No response.)

first 23

If we are going to go forward, the

24 thing we have to do, I assume, is look at the SEQR.

1 MS. CAHILL: Correct.

2 MR. HANNIBAL: Can I get a motion on
3 the SEQR?

4 MR. CHAMPAGNE: So moved.

5 MR. HANNIBAL: Second?

6 MR. DeLUCA: Second.

7 MR. HANNIBAL: Any discussion on that?

8 Noting that for all these purposes,
Mr. Berberich is recusing himself.

9 No discussion.

10 All those in favor?

11 Let the record show it is unanimous.

12 Now, what do we have to do with this
13 resolution?

14 MS. CAHILL: It's just the one blank,
15 assuming that you are going to go with the temporary
16 starting, what date you would like it to end.

17 MR. EADS: We do have local counsel in
18 New York.

19 MS. CAHILL: I think we have to go out
20 60 days.

21 MR. HANNIBAL: Can I have a motion?

22 MR. DeLUCA: I will move that motion.

23 MR. HANNIBAL: Dave.

1 Second?

2 MR. CHAMPAGNE: Second.

3 MR. HANNIBAL: Discussion.

4 Are we looking at 60 days, is that the
5 consensus?

6 MR. DeLUCA: Yes.

7 We are dating to back to when?

8 MS. CAHILL: May 19th.

9 MR. DeLUCA: Are you comfortable with
10 that date?

11 MR. EADS: Yes, that's fine.

12 MR. CHAMPAGNE: Do we need any kind of
13 contingency allowing you to back out of that if you find
14 you are not comfortable with it?

15 MR. HANNIBAL: I think maybe subject
to
16 a submission - - this resolution be subject to a
17 confirmation from CSC confirming that May 19th is the
18 actual date.

19 MR. EADS: If we just started working,
20 that's probably fair.

21 MR. HANNIBAL: If you can get
something
22 to Joe to that effect.

23 MR. EADS: All right, we will confirm.

MR. HANNIBAL: Any further discussion?

1 (No response.)

2 All those in favor?

3 (The motion was passed unanimously
4 by those voting.)

5 Mr. Berberich is again recusing
himself.

6 That finishes the CSC application.

7 Thank you very much.

8

9 (Kevin Catalano of the Albany Colonie
10 Chamber of Commerce made an informational
11 presentation to the Agency.)

12

13 MR. LaCIVITA: We will push the DOT
14 easement back to the July 21st meeting.

15 MR. HANNIBAL: Did we get anything
16 further on Picotte? I saw the one e-mail, did we get
17 anything else?

18 MR. LaCIVITA: They have given me some
19 numbers of what they have used over time; 124,000 is what
20 they have done to date. I know there is 6,000 square
feet
21 that they have available to them right now, they are
22 actively trying to pursue tenants for it.

23 The original application was August 8,

24 2003. They asked for \$190,000 worth, \$40,000 in mortgage

even 1 recording and \$150,000 in sales tax. So, they haven't
2 maximized what they asked for back in 2003.

3 Historically, they've had three
4 extensions. As Connie and I spoke today, we could limit
time 5 them to this being the final extension and give them a
6 frame, give them parameters to work within, if we are so
7 inclined to extend it.

8 MR. RINALDI: Wasn't there kind of one
9 issue about how the tax advantages work in terms of
10 allowing the charitable organizations, wasn't somebody
11 going to look into that, whether that had any impact on
us?

12 MR. LaCIVITA: Regarding non-profits
13 being within the building?

14 MR. RINALDI: Yes, the question came
up 15 whether that had any impact on us.

16 MR. DeLUCA: I think it was for
17 informational, that they were allowing people to use the
18 space for free. I think she was representing Picotte was
19 very generous in terms of offering space.

20 MR. RINALDI: I don't know. I just
ask 21 the question. I don't know if we got an answer.

22 MR. LaCIVITA: I didn't even ask that

23 question, so why don't I get back with Nancy and see what
24 the implication is on the non-profits.

1 MR. DeLUCA: Let me ask this: If they
2 came in for something today would we honor that sales tax
3 exemption?

4 The extension expired on December
31st.

5 MR. LaCIVITA: I guess one of the
6 other things I would ask, or look to see, they actually did
7 their request December of 2007, so they were timely. We just
8 haven't been able to act.

9 MR. HANNIBAL: If we were to go ahead
10 and grant the request would it be from the time that they
11 asked for for the entire year?

12 MR. LaCIVITA: If they didn't do
13 something within this year, then that would be their
14 final extension year.

15 MS. CAHILL: My understanding is from
16 December to now they haven't used it.

17 MR. LaCIVITA: That's correct.

18 MR. DeLUCA: My suggestion would be a
19 year from today, June of next year, at least give them a
20 year out.

21 MR. BERBERICH: You said they have
22 gotten three extensions already?

23

MR. LaCIVITA: Correct.

24

MR. HANNIBAL: If we're going to do

1 that, I don't see any benefit in waiting another five
weeks 2 before we do it.

3 Can someone put it in terms of a
motion, 4 extending them for a year from today?

5 Does someone want to?

6 MR. BERBERICH: I would move that we
7 approve one additional extension that would expire in
June 8 of 2009, June 1st or June 30th. I would say June 1st
since 9 today is June 2nd; June 1st, 2009 with the indication
that 10 this is the last extension they would be eligible for
from 11 the IDA.

12 Is there any other provision we were
13 discussing that I missed?

14 MR. HANNIBAL: Second?

15 MR. CHAMPAGNE: Second.

16 MR. HANNIBAL: Any discussion?

17 MR. DeLUCA: The only thing, if you
18 don't mind, I would rather move it to June 30th to give
19 them that extra - - by the time they get it, that will
give 20 them a little bit longer.

21 MR. BERBERICH: That's okay.

22

MR. HANNIBAL: All those in favor?

23

Let the record show it is unanimous.

24

So, we can get that out.

1 MR. LaCIVITA: Regular housekeeping.
2 We welcome Barry tonight as a new
3 member.

4 With the resignation of Bill Wiley, he
5 was our Secretary, that position is still open at this
6 point in time. I know we are also missing two people
7 tonight. We also have no members on the Governance
8 Committee which, Ken, you chair.

9 MR. HANNIBAL: We don't have two
10 members.

11 MR. LaCIVITA: Fred is already on the
12 Audit Committee right now. We have Sharon and Barry as
new 13 members.

14 Gary, you are also on the Audit
15 Committee with Dave.

16 MR. HANNIBAL: And we need two other
17 people for the Governance Committee.

18 MR. LaCIVITA: So, recommendation for
19 Barry and Sharon to assist in the Governance with Ken,
for 20 assistance where needed.

21 MR. HANNIBAL: We will give you
sometime 22 to think about it. We will make a determination at the

see

23 next meeting. Meanwhile, I'll reach out to Sharon and
24 how she feels about it.

1 MR. LaCIVITA: Moving along, we talked
2 about the IDA website. You are seeing your initial page
3 right here. Brian and I met a couple times already and
4 talked about what we wanted on the site. This is kind of
5 the look and feel as to what our home page is going to
be.

6 We also got a reduction in the fee
when
7 him and I finally talked about what our overall needs
were
8 going to be. He actually reduced his fee, so you're
9 looking at \$65 a month now for maintenance for the site,
10 which is about a hundred some dollars a month reduction.
11 So, Brian is really willing to work with us on it.

12 MR. RINALDI: Last time weren't we
13 talking about what the content on the site might be,
14 whether or not we would be able to put any applications
up,
15 and things like that? I assume none of that is going to
16 happen on this \$65 fee.

17 MR. LaCIVITA: No. What him and I
spoke
18 about is if applications go on this site, there is plenty
19 of room. Anything external, like reporting, which is
done
20 on OSC or on the ABO website, we're going to link to
those
21 sites. If you say come to the 2007 financial audit, or

22 compliance audit, you click on there you will be
23 automatically directed. The minutes will be in PDF
format.
24 They will probably be put in another area that really
won't

1 clog the site.

2 I said right now we meet three times a
3 year. He said he thought it was going to be a lot more
4 activity.

times

5 MR. HANNIBAL: We are meeting four
6 a year.

7 MR. DeLUCA: What about an address or
8 something? We want it directed to you. We have to get
9 your name visible on the front page.

to

10 MR. LaCIVITA: This was only the first
11 look and feel as to what we are doing. There are going
12 be addresses, there is going to be contact information.
13 There is going to be a drop down menu, as we see it. You
14 will have subsequent pages that will come up.

the

15 MR. HANNIBAL: Joe, I was looking at
16 language here on the front. This is just a mock-up?
17 Because any language, I think, that describes what we do
18 and how we do it should be vetted through Connie's

office.

19 MS. CAHILL: There is a couple things
20 here, we would tweak it.

21 MR. LaCIVITA: Yes. This is something
22 we had from one of the prior documents.

1 us by our July 21st meeting for final review and
approval.

2 MR. HANNIBAL: Will he be able to get
it

3 to us maybe a week in advance?

4 MR. LaCIVITA: Absolutely.

5 Actually, the sheets that you have
here,

6 that's the development site. That site is available to
you

7 and I e-mailed everyone that. Any changes that we have

8 will be on this development site, you all can access it.

9 So, as we start to update it, Brian and I, you will start
10 to see all the changes.

11 Lastly, I am looking to purchase a
12 laptop. I have got a Dell quote from MIS for the
purchase,

13 and that is going to help us for when I am out of the
14 office. We are also going to be securing a Blackberry
with

15 it so we will be in communication at any point in time.

16 When I mentioned the laptop this is the quote we got,
which

17 will contain a lot of the IDA information that I will be
18 carrying with me to the site, and so on.

19 So, that would be requesting approval
to

20 secure the Dell laptop.

21 MR. HANNIBAL: How is the Blackberry
22 going to interface?

23 MR. LaCIVITA: The one problem we have
24 with the Town of Colonie server system is you can not go

in

1 and get your e-mail. So, the Blackberry will allow me to
2 operate on a day to day basis when I'm out for a day. If
3 something comes in that I need to review, I have to push
it
4 over to my Yahoo account, open up the document, until we
5 can have better communication here in the Town. We are
6 actually probably four to five months out before we can
7 actually review our e-mails over the server.

8 MR. HANNIBAL: The Blackberry, do we
9 have those already?

10 MR. LaCIVITA: We don't have
11 Blackberries. This will just be another way to
communicate
12 and get some work done.

13 MR. RINALDI: The Town has no problem
14 with them setting that up so it can be accessed?

15 MR. LaCIVITA: Yes. I checked with
MIS
16 and I also checked with Craig Blair. The money is
17 available to us from the IDA. It's a perfect use of it.

18 MIS actually gave something based on
19 their schematic with the system and how they interface
with
20 it. I guess there are a couple of people that have
private
21 Blackberries that automatically get their Town e-mails
22 pushed to their private Blackberry.

23 MR. CHAMPAGNE: So we're buying the
24 Blackberry itself. Is there a monthly service?

1 MR. LaCIVITA: Yes, there will be a
2 monthly service for the phone. I think it's \$79 a month
3 for the phone and Blackberry service.

4 I think you get 1400 minutes for \$79
and
5 unlimited e-mails with it.

6 MR. HANNIBAL: And the Town doesn't
have
7 Blackberry service?

8 MR. LaCIVITA: The Town doesn't have
it
9 yet.

10 MR. RINALDI: I'm a little bit leery.
11 Just as long as they can connect you all up. The
technical
12 issues associated with that, I know we had a number of
them
13 at DOH.

14 MR. LaCIVITA: Where I came from,
Empire
15 State Development, we had our own Blackberry server
16 in-house, which is a lot easier, but they say they have
no
17 problem, and we could confirm, that there is no problem
18 directing that to an address. I can get confirmation for
19 sure before we go through with it.

20 MR. BERBERICH: Is the laptop going to
21 supplant or replace your desktop?

22 MR. LaCIVITA: There is going to be a
23 docking station supplied for me. It will actually be a
24 faster system than what I have here. I am not going to
get

my 1 rid of my desktop. If I go out I can push something to
2 desktop.

3 MR. RINALDI: What size screen laptop?

4 MR. BERBERICH: 12.1 inches.

If 5 MR. RINALDI: That's kind of small.

6 you're going to replace your desktop with that, a
personal 7 thought, if you're not going to have any other screen,
8 you're going to be using that, you might want something
9 bigger.

10 MR. LaCIVITA: I would keep the flat
11 screen and just plug into that.

12 MR. HANNIBAL: The reason that we are
13 going with Dell as opposed to a Mac?

14 MR. LaCIVITA: I think Dell was the
15 system of choice here within the Town. I'm not sure what
16 the conversion would be, what the compatibility would be.

17 MR. HANNIBAL: Do we need a
resolution?

18 MR. LaCIVITA: You and I traded e-
mails

19 back and forth to say go ahead and do it with the
20 Blackberry. This was a thing I wanted to bring before
the

21 Board based on the dollar amount. We never really

22 developed an internal control process as to what my
23 approvals are. I definitely wanted to bring this forward
24 to the Board.

1 MR. HANNIBAL: Does somebody want to -

2 MR. BERBERICH: So moved that you can
go forward with the laptop and Blackberry service.

4 MR. RINALDI: Second.

5 MR. DeLUCA: I think the thing we were
6 looking at is giving him like a \$2,000 limit, that was
one thing we talked about.

8 MR. HANNIBAL: Let's do this right
now.

9 There is a motion on the floor and
10 seconded by Gary to authorize the expenditure for the
11 laptop and the Blackberry contract.

12 All those in favor?

13 Opposed?

14 It is unanimous.

15 MR. HANNIBAL: Now, do you want
to. . .

16 MR. DeLUCA: Well, do you need that?
I
17 mean, is it encumbering on the rest of us; if not, we
will
18 keep doing it this way?

19 MR. HANNIBAL: I think we were going
to
20 do something like that. Maybe if we think about it for
the

21 next meeting. If we're going to do something like that,
22 maybe we should do it subject to reporting to the Board
23 every three months what he has expended money for.

24 MR. DeLUCA: We're meeting quarterly,

1 something may come up.

2 MR. HANNIBAL: The way I've been
3 involved with boards and what they do, they have the
4 Executive Director sign off on contracts and then report
5 quarterly to them and then they ratify it, up to a
certain
6 dollar amount. I think that's probably good. We should
7 figure out what the dollar amount should be.

8 MR. BERBERICH: Would this type of
9 authority fall under the Governance discussion, or is
that
10 separate and apart from whatever the Governance Committee
11 is going to be doing?

12 MR. CHAMPAGNE: I would assume it
would
13 eventually be put in the bylaws.

14 MS. CAHILL: For the Governance
15 Committee, but I'm happy to distribute it to everyone, we
16 took what Joe did and then we laid on some of the
17 provisions of the Public Authorities Accountability Act.
18 They are strictly meant as discussion points. We stuck
19 with the base of the existing bylaws that you had and
added
20 on some of the things, for example, the CFO/CEO, that is
21 the Chief Financial Officer and Chief Executive Officer
22 should not be a member of the Board, separate and apart

23 from the Chair and what the Treasurer may do, they have
24 different functions. That is one of the things the

those 1 Governance Committee, and I'm happy to participate in
2 meetings and provide you the statutory basis for some of
3 these changes.

4 Again, this is just meant to start
5 discussion.

6 Certainly, you could have something in
7 here to flush out the Executive Director, Chief Operating
8 Officer, provision to allow an expenditure of X dollars
at
9 a time with reporting to the Board for ratification by
the
10 Board. We can put that in.

11 Our suggestion is the Governance
12 Committee meet, discuss the bylaws, get them drafted, and
13 then make a presentation to the full Board at a later
date.

14 MR. BERBERICH: This draft that you
15 shared, are these categories standard categories for an
16 organization like this when you are establishing bylaws?

17 MS. CAHILL: Yes.

18 MR. BERBERICH: Or revising bylaws?

19 MS. CAHILL: Yes.

20 MR. BERBERICH: There are no other
areas
21 that the committee, for example, would have to figure out
22 what to add?

23 MS. CAHILL: No. These have all the
24 standard provisions. We certainly welcome additional

1 provisions.

things

2 MR. LaCIVITA: I think one of the

3 the ABO offered was a Code of Ethics.

things

4 MS. CAHILL: There is a series of

Ethics,

5 the Governance Committee should look into, Code of

6 property disposition, some of them I believe you have, a

7 series of policies that they have that are separate and

8 apart from the bylaws.

9 The Code of Ethics, if you don't have
10 one, we certainly can provide you with the form of one.

11 The ABO has one on their website that is very good.

12 MR. BERBERICH: Joe, could I ask if
13 there are established Code of Ethics, established and
14 existing bylaws that are different than these?

15 MS. CAHILL: Yes, there are existing
16 bylaws that have been in existence for a very long time.

possible,

17 MR. BERBERICH: If it would be

don't

18 could you share with me and the other members if they

19 have it the existing bylaws, the existing Code of Ethics,

20 the existing property disposition, whatever other, quote

-

in

21 unquote, governing rules or standards that are currently

that 22 place for the IDA that we would need to know about so
23 we can more intelligently evaluate and determine whatever
24 additions, reductions, improvements, whatever are

1 necessary?

2 MS. CAHILL: If I might, one of the
3 things the Board had asked me last time is to talk to the
4 people who do our Public Authorities Accountability Act
5 training. They said they can do it any way that you
would
6 like to do it. They can do it in hour increments over
the
7 next year. It's about a six hour curriculum. We have a
8 curriculum, we have an outline, all the materials put
9 together. We can do it on a Saturday, a Tuesday
afternoon,
10 a Wednesday night, two Wednesday nights, they are
11 completely flexible and will work with your Board to
12 whatever is most convenient.

13 They don't believe, I guess we'll look
14 into it, but they don't believe it's possible to
videotape
15 it for someone who is going to miss it. They need to
16 actually be present at a training.

17 MR. DeLUCA: Would you be doing it
just
18 for us or would we be part of a larger group?

19 MS. CAHILL: We were thinking we would
20 do it just for you. You have a lot of members that are
21 brand new. You could tailor it to the areas - - while
22 there is a curriculum, if you say to us, we don't really

we 23 need so much about reading financial statements because
about 24 all can do that, but we would like to know a lot more

We 1 what exactly are projects that we can do and can't do.
2 are happy to focus the presentation however the IDA would
3 like to, we can work with Joe to sort of customize it.

4 MR. DeLUCA: Do we have to do this
5 within the first year?

6 MS. CAHILL: Yes.

kind 7 MR. DeLUCA: The other issue, it's
8 of tied into governance and all this other stuff, is
we've 9 talked about indemnity coverage for the Board.

10 Are we covered by the Town coverage,
or 11 does the IDA have to get it's own coverage?

12 MR. HANNIBAL: The IDA has it's own
D&O 13 policy. I just got this. I have turned it over to Joe.

14 MR. DeLUCA: The IDA has never had
this?

15 MR. LaCIVITA: This is a renewal.

16 I will make sure that I turn this into
17 the Town. I will talk to Mike Magguilli, the Town
18 Attorney.

19 MR. DeLUCA: I'm curious, who filled
out 20 the information about who the members are?

Hess,

21

MR. LaCIVITA: This is from Peter

22

this is the prior one. So what they're doing is they're

23

asking us to update it with the new members, and that's

24

what we'll do.

I
not

1 MR. DeLUCA: Back on the loan program,
2 am still unclear how that fits within the four corners of
3 our bylaws. The presentation the gentleman made from the
4 micro-loan program, at least from my reading of it, I'm
5 sure how that fits in with the IDA in terms of we are not
6 supposed to do retail and clearly, there is retail loans
7 within that context there. I just didn't know whether or
8 not that program that was done ten years ago, whenever it
9 was, whether that's within our bylaws as something we can
10 do.

11 MS. CAHILL: IDA's making loans in and
12 of itself is an issue. I'm not sure if by moving it
13 through the Chamber that changes it. You certainly have
14 limitations on projects for which you can grant financial
15 assistance. As Dave points out, you are not allowed to
16 grant financial assistance to retail projects unless they
17 meet one of the exceptions for Empire Zone, a highly
18 distressed zone, they are of the nature of a tourist
19 destination, or that they are providing goods and
services
20 to a population that otherwise wouldn't get them, for
21 example, an urban, inner city area, incentives in order
to
22 get them to locate in an urban area. None of those seem
to

1 of authority. That training would be helpful to me, just
2 to try and understand what we can do within the four
3 corners of the law.

4 MR. HANNIBAL: We're already five
5 months, into the sixth month of the year. We need to get
6 this scheduled and started, if not completed, soon.

7 I know we are heading into vacation time. If we can all
8 give whatever our vacation schedules are to Joe and then

he

9 can coordinate with Connie. Maybe we can do two three-

hour

10 sessions, or we have the majority of the Board here. Do

we

11 want to do one session, or two three-hour mornings?

12 MR. BERBERICH: My only concern is if

we

13 do one huge session our eyes will glaze over.

14 I would recommend two Saturday

mornings,

15 or something like that.

16 MR. DeLUCA: I like the fact that it

is

17 just our own Board, it will be a little more interactive.

18 People will be a little more able to communicate.

19 MS. CAHILL: We would encourage you to

20 think of all the what if's, what if we want to do this,

21 what if we want to do that, so you can interact and

22 respond.

23 MR. LaCIVITA: Would you do that here?

24 MS. CAHILL: We could do them right

here

1 in this room, I guess. We could do them in our offices
if
2 you wanted a change. Whatever is convenient for you,
we're
3 flexible.

4 MR. HANNIBAL: Do we have anything
else
5 at this time?

6 MR. LaCIVITA: No.

7 MR. HANNIBAL: Okay.

8 If everybody within the next two weeks
9 can get your vacation schedules to Joe so we can start to
10 work on this.

11

12 (Meeting adjourned.)

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C E R T I F I C A T I O N

the

I, Susanne Lynch, Shorthand Reporter and
Notary Public in and for the State of New York, do hereby
certify that I recorded stenographically the foregoing
testimony taken at the time and place herein stated and
preceding testimony is a true and accurate transcript
hereof to the best of my knowledge and belief.

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SUSANNE LYNCH

Date: _____

