

**TOWN OF CLARENCE, ERIE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**MINUTES**

**February 18, 2010**

Present:       David C. Hartzell                               Paul Leone  
                  Christopher Kempton                       Steven B. Bengart  
                  Michael Buettner                               Nathan Neill  
                  Scott Bylewski                               Pam Smith  
                  David Schuster                               Cynthia M. Rosel

Guests:       Robert Geiger  
                  Jeff Feinen  
                  Melissa J. Whitbeck, HSBC

Absent:        Clayt Ertel  
                  Mary Powell

Meeting was opened by Chairman Hartzell at 8:00 a.m.

Mr. Hartzell asked Cindi Rosel to call the roll. Present were David Schuster, Christopher Kempton, Michael Buettner, and Chairman Hartzell. Scott Bylewski arrived at 8:06 a.m. Mary Powell was excused as was Clayt Ertel as they were out of town and could not make this meeting.

**Minutes:** January 21, 2010 Organizational Meeting

Mr. Hartzell asked if everyone had a chance to review the minutes from the January 21, 2010 meeting. Chris Kempton moved to approve the minutes from the January 21, 2010 meeting that was seconded by Chairman Hartzell. Mr. Buettner said he did not see any discussion regarding the issues discussed at the meeting regarding the loan program. Mr. Hartzell and Mr. Kempton reminded him that issue was discussed at the special meeting on January 28, 2010. The January 21, 2010 minutes refer to the special meeting and the purpose for having the meeting to specifically discuss how a grant/loan program would fit in with the Strategic Plan. Cindi Rosel explained that the minutes were not fully prepared to present at this meeting. There was nothing further on the question.

**Vote:** Ayes: Buettner, Hartzell, Kempton, Schuster.   Noes: None  
          Absent: Bylewski, Ertel, Powell.   Recuse: None.   Motion Carried

Mr. Hartzell called on Steven Bengart regarding his agenda item. Mr. Bengart said that he needed to discuss an item in Attorney/Client privilege but some of the parties are not present. Mr. Hartzell suggested that since there are guests for presentations before the CIDA members,

that this item be moved to the end of the meeting. Mr. Bengart added that since the other two members will not be here today, this item could be tabled until the next the March meeting. He would like everyone present. Mr. Hartzell asked that this be put on the March agenda.

### **Treasurer's Report:**

Mr. Kempton handed out the financial report as of February 18, 2010. He went over the Balance Sheet, Profit & Loss Statement. The Detail Summary was also included in the packet along with the Profit and Loss - Budget vs. Actual report for comparison with the amounts expended to date and the budgeted figures for each item. There has been no fee income received to date. There was interest income. Expenses were for Administrative Costs, Advertising Consultant and Insurance. Mr. Kempton said that the CD would be maturing in March and informed the board that Pam Smith contacted the different banks getting quotes on current CD rates .1 and .2%. The CD rates available at this time are less than what the money market account is getting which is .46%. The CD rate that will be maturing is 1.4%. The laddering strategy will be put on hold until the rates improve. Motion made by David Schuster to approve the Treasurer's report as presented by Chris Kempton with a second by Mike Buettner. There was nothing on the question.

**Vote:** Ayes: Buettner, Hartzell, Kempton, Schuster. Noes: None  
Absent: Bylewski, Ertel, Powell. Recuse: None. Motion Carried

### **Correspondence:**

Cindi Rosel reported that there was a notice from the LIDA Town of Lancaster Industrial Development Agency (LDIC) regarding a public hearing scheduled for today, February 18, 2010 at 4:00 p.m. at the Lancaster Town Hall. This was sent previously in an e-mail on January 25, 2010 to the Board.

Chairman Hartzell requested that an e-mail be sent to the Board members and appointees regarding a teleconference regarding status update on IDA's and also IDA image campaign scheduled for Friday, February 26 at 11:30 a.m. Member can participate by phone or can go to the ECIDA (Paul Leone will be representing Clarence at the ECIDA). Mr. Hartzell also said that they could also arrange to come to the Town Hall to participate or listen in at their private office. None of the members replied. Mr. Hartzell suggested that everyone listen in to the call at their own discretion.

### **LDC (Local Development Corporation formation):**

Mr. Neill and Mr. Bengart reported on the progress on the formation of the LDC. Mr. Neill said that if the CIDA is going to start a loan program, they will need a vehicle to do it. IDA's generally have not had loan programs themselves. What has been done in the past is LDC's have been formed by other IDAs. Mr. Neill discussed how other IDA's have formed LDC's. The criterion is for the Town Board to approve the formation of an LDC, appoint the members, and authorize the LDC to issue tax exempt bonds. Mr. Bengart said that this was discussed at the Town Board meeting on February 10, 2010 and the Town Board was in favor of forming an

LDC. It must, however, be approved formally. Mr. Bengart is in the process of preparing the Town Board resolution, the By-Laws, which need to be a part of the resolution along with the filing paperwork, and the necessary paperwork to file for the LDC. He already did the name check. Mr. Kempton asked about the intention of the Town Board to appoint the members of the CIDA to the LDC. Mr. Buettner asked if the Town Board is in favor of forming the LDC. Mr. Bengart and Mr. Bylewski said that the Town Board is in favor of the formation of an LDC. Mr. Bylewski said that it was hoped to have the resolution ready for that meeting but after more research, as Mr. Bengart indicated, you need the whole organization set up in order for the Town Board adopt the resolution. Mr. Kempton asked if the Town Board was in favor of appointing this Board to the LDC Board. Mr. Bengart said that was part of the discussion. Mr. Hartzell asked if everyone on the CIDA Board would want to be on the LDC. Mr. Buettner was still not in favor of the formation of an LDC. Mr. Hartzell said that we have a presentation on the agenda that may explain the purpose of having an LDC. There was further discussion by Mr. Neill about the reasons other IDA's have formed LDC's. There are two aspects to forming an LDC. One, the ability to loan money for certain types of projects, and not do grants, and the other is to do tax exempt financing.

At this point Mr. Hartzell asked Melissa Whitbeck, Vice President and Branch Manager of HSBC, Transit Miles Branch. She and Mr. Janicki met with Mr. Hartzell to discuss a loan program for the CIDA. The presentation was not exactly what the CIDA was looking for. Mr. Kempton said that what the CIDA was looking for was for HSBC do everything but provide the loan; we are looking for someone to underwrite, process and service the loan. They would evaluate the loan package and advise the CIDA if a particular applicant would meet the CIDA standards. Mr. Buettner had some concerns. There was discussion regarding the benefits of the CIDA loan program through an LDC. It was decided that Ms. Whitbeck would go back and discuss if the bank would consider doing this. Mr. Bylewski said that the CIDA should send out RFQ (Request for Qualifications). There was discussion regarding the ECIDA having loans in default. Mr. Leone added that all lenders have loans in default. Mr. Kempton said that the CIDA should be willing to loan as well as grant money. Loans allow for the monies to be replenished and keep a cycle going, a vehicle to get the funds back with interest.

### **Audit Committee**

Mr. Kempton said that the CIDA is required to have an Audit Committee. The Committee is to consist of the Chairman and two independent members of the Board. Mr. Kempton and Mr. Schuster volunteered. The Audit Committee has the power to hire the Auditors, review the results of the Audit and report back to the Board. There is minimum requirement of two meetings a year. Mr. Bylewski added that the Town Board appointed an Audit Committee last year. The Committee had a pre-audit meeting, met with the auditors and then met again to go over the draft audit report prior to presenting to the Town Board. There was a motion by Scott Bylewski to appoint the Audit Committee the member of which will be Chairman Hartzell, Chris Kempton and David Schuster. There was a second by Michael Buettner. There was nothing further on the question.

**Vote:** Ayes: Buettner, Hartzell, Kempton, Schuster. Noes: None  
Absent: Bylewski, Ertel, Powell. Recuse: None. Motion Carried

## **Donations.**

The only application requesting funds was from the Clarence Chamber. Since the time has already passed for applications to be submitted it was decided that the policy for donations be put on the website in June or July.

Mr. Hartzell has to recuse himself from discussion on the Chamber's request. It was decided that since Mr. Kempton would run the meeting from this point. Mr. Kempton suggested that since Mr. Feinen was present, we would skip down to the Town Branding request.

## **Town Branding Initiative – Jeff Feinen**

Mr. Bylewski invited Mr. Feinen to the meeting to give a presentation on the Town Branding Promotional Folder. Mr. Feinen presented the folder type package that would have step inserts for the purpose of promoting what the Town has to offer such as a centralized schools district, town services and neighborhood living. The CIDA could have its own page. Mr. Hartzell thought it was a great idea. Mr. Buettner asked if the Town Board has looked at this yet. Mr. Bylewski said that they have not looked at this part of it yet and added that there is an ad hoc group that will be looking at branding before the Town Board meeting next week. What he is looking for today is some buy in and support for it from the CIDA. A funding mix can be worked on to see what would be appropriate. Obviously, the brochure is to encourage investment in the Town. The goals are to retain and attract businesses and people to come to the Town, encourage people to work in the Town, do business in the Town and enjoy the services that the Town has to offer. Part of the goal of the CIDA is to attract and retain businesses in the Town. Mr. Kempton asked if they had any idea of the quantity they would be looking at. Mr. Bylewski said that they were looking at 3,000 brochures. Mr. Feinen added because the brochure is a more expensive piece and the distribution should be based on good leads and just not a handout. The Clarence Chamber, the CIDA, and realtors would be handing them out. There was discussion regarding cost. Mr. Kempton said that it looks like this project would cost about \$5,000. Mr. Bylewski said there would be some additional production costs. Mr. Neill asked if any of this going to be dated...is there any concern about the information being dated. Mr. Bylewski said that the folder itself is generic enough in that it talks about the Town vision and character which is something that should be carrying forward. The pictures would be good for a number of years. Inserts can come and go. And eventually it would be updated as things change. Mr. Kempton added that it looks like the project would cost about \$10,000. Mr. Kempton made a motion to approve that the CIDA cover the cost for up to 50% of the total cost of the project up to but not to exceed the amount of \$5,000 for the Town of Clarence Branding Promotional Folder and inserts. There was a second by Michael Buettner. On the question Mr. Kempton said that this would come under the Advertising line item.

**Vote:** Ayes: Buettner, Hartzell, Kempton, Schuster. Noes: None  
Absent: Bylewski, Ertel, Powell. Recuse: None. Motion Carried

Mr. Hartzell thanked Mr. Feinen for coming in this morning.

## **Christine Fusco – Report on Pilot Payments**

Ms. Fusco reported that everyone has paid except for three projects. Benchmark paid for 7 out of the eight projects. Ms. Fusco is meeting with them on Monday. Castilone is late. The other is Evans Bank. We have to follow up on this. There seems to be an issue with the FDIC. The collections will continue in house. The bills with the penalties will be sent out from and collected by the Town. Pam Smith will send the money to the County after we have finished collecting. Mr. Hartzell said that Ms. Fusco will report back at the next meeting on the delinquent payments.

Mr. Kempton said that we will discuss next month. He needs a chance to review the request.

## **NYS Department of Taxation and Finance on IDA's**

Mr. Neill reported that the State has been looking at charging fees for cost recovery of central governmental services to various public authorities under Public Authorities Law Section 2975. The 2009-2010 administrative services assessment for the CIDA is \$5,643. Mr. Hartzell asked if this has to be paid. Mr. Neill said it has to be paid by March 31, 2010. The fee is based on the 2008 calendar year revenue which is approximate 4.727%. Next year we can expect the charge will be based on the 2009 revenues. There is no budget line for this item. Mr. Buettner asked what central government services are we receiving from them? Mr. Neill said that there is a lot of objection to the fees in that they are raising more money than the budget office is costing. Mr. Neill said that we have to report to the budget office and file the PARIS reports. Mr. Leone added that none of the other IDA's has budgeted for it either. Mr. Hartzell said we can wait until the March meeting. This item was tabled until March 21, 2010.

Mr. Leone reported on two upcoming events. The first is the SBA Seminar, Gaining the Edge Needed for Success, on Wednesday, March 24, 2010, 6:30 pm to 9:00 p.m. at the UB Center for Tomorrow. The Board approved doing a brochure for this seminar at the last meeting.

Mr. Leone also spoke regarding the upcoming Small Business Matchmaker Awards Luncheon Exposition on Wednesday, May 12, 2010. Paul and Chairman Hartzell to discuss recommending two projects this year, Doodle Bugs and Stick-n-Ball at the Mall. He also suggested that the CIDA consider reserving two tables this year and that two plaques would be needed. It was decided that this be discussed further at the March meeting. Mr. Leone wanted to let the Board know now so they could mark their calendars.

Carl Calabrese has been contacting Mr. Leone regarding the IDA's contracting with the coalition that would lobby the State Legislature on their behalf. It was decided that this be discussed when all of the members are present.

Mr. Leone received an e-mail from Northtown Automotive regarding projects on Main Street. The one project is under construction but there are four other projects involved that are under contract but not under construction. Mr. Leone and Mr. Hartzell will meet with them to discuss further and report back. It is about \$1,000,000+.

Mr. Parisi has submitted an application for his project at 8316 Main Street which includes an addition. He is asking for a pilot and sales tax. The project is already under way. The foundation and piping are in. Mr. Leone wanted to know if the Board wanted to consider this. It was decided that it be put on the agenda for March, have the applicant here and a decision can be made at that time.

Mr. Kempton asked if there are any projects that will be closing soon. Mr. Bengart and Mr. Neill said that AAA, West Herr, and Benchmark should close. The 4125 Transit Road-Phoenix Building Corporation project will also be opening soon.

#### Strategic Plan and CEO

Mr. Hartzell said he received some interest in the CEO position from a person who lives in Buffalo. Mr. Leone is the CEO at present. Mr. Kempton had suggested that it might be a good idea to hire a part time CEO to pick up some the advertising and work the strategic plan. Volunteers can only go so far. There was further discussion regarding the possibility of hiring a part time CEO. This was tabled for discussion in more detail at a future meeting.

Mr. Hartzell received a phone call from Lakeside Industrial Park who let him know that they are not interested in a loan but a grant from the CIDA. Paul Leone will still go forward with the applicant.

There was further discussion regarding the formation of the LDC. Everyone was still in favor.

Mr. Bengart asked the Board to go into Attorney Client Privilege session at 9:16.

Meeting adjourned at 9:27 am.

Next Meeting March 18, 2010

**Adjournment:** Informal motion to adjourn meeting. Adjourned at