

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

**MEETING MINUTES  
OF**

**June 30, 2008**

Present:       David C. Hartzell                               Paul Leone  
                  Clayt Ertel                                       Nathan Neill  
                  Mary Powell  
                  Michael Buettner  
                  Scott Bylewski

Excused:       Chris Kempton  
                  Jack Willert  
                  Steve Bengart  
                  Pam Smith

The meeting was called to order at 4:39 p.m.

Mary Powell handed out copies of the e-mails from Chris Kempton and Jack Willert who were not able to attend. She also handed out copies of the Town Zoning Map and the Enhancement Zone Map. There were comments by Clayt Ertel, David Hartzell and Michael Buettner regarding some of suggestions made by Mr. Willert, Chris Kempton and the draft Policy Regarding Donation/Providing of Funds by the CIDA prepared by Wayne Drescher, CPA. Mr. Ertel said he agreed with the comments in Mr. Willert's e-mail. Mr. Hartzell added that, as chairman, he is approached by different individuals, groups, organizations and businesses in regard to CIDA donations and funding. He agreed with the concepts in Mr. Drescher draft policy especially, Mr. Buettner added that he believes that the CIDA should not exclude every cause from financial support and he believes that the IDA is here to help the taxpayer. Everyone agreed that they have proceed conscientiously.

In the essence of time, Mary Powell suggested that the meeting be conducted by beginning with the draft Policy prepared by Mr. Drescher. The Board can add to and change it where it feels it may be appropriate as the discussion progresses. This would give everyone the chance to make comments and suggestions in a more orderly way.

Mr. Bylewski began with definition from the legislation on IDA's as being created to actively promote, encourage, attract and develop job and recreational opportunities and economically sound commerce and industries in, in this case, the town, in New York State. He added that the group needs to bear that in mind as they devleop Mr. Drescher's policy. Ms. Powell agreed. He also added that they look at the second page of the Draft strategic plan, specifically, the number 2, and run through some of the specific examples that the CIDA has been approached with. He also added that they should look at projects that with fall within the mission of the CIDA. The group can then decide where they should draw the line. Mr. Bylewski has some questions regarding the first clause under the policy provision of the draft.

Mr. Neill said that there is big distinction with things involve Town Building versus private property.

Mr. Bylewski also suggested that they should remove the word group from the sentence also. He suggested that they delete the first sentence under Policy and begin with "...The agency will consider requests which serve the basis purpose of the Agency. ...". He also spoke about the differences between Mr. Willert's and Mr. Kempton's suggestions.

Mr. Ertel felt that the clause should not be taken out completely. Ms. Powell added that she feels that giving funding for, as an example, a road that would benefit several people. There is a distinction between incentives and gifting. The IDA gives incentives. The IDA gives abatements, not cash. Mr. Leone also added that IDA's are always wiling to help new businesses but do not help to retain businesses that may be having a problem. Mr. Bylewski spoke about Hewlett Packard Packard went to another state looking for benefits. The Governor of that state said we do not give benefits to existing business why should we give to new businesses. Packard said that it sounded fair and moved to that State. Mr. Neill said the issue there is that the IDA gives abatements is on the addition to what was there before. The CIDA does not give to what is there but on the portion that was added to it. The CIDA gives abatements on the value that wasn't there before. Sales Tax Exemptions are given on equipment they hadn't bought or would buy but for assistance. There was a company in Lancaster, an existing business that was going to leave the area. The Town decided to give them abatement. There was additional conversation regarding giving cash funding to businesses and giving funding for the overall good of the Town, it would benefit the majority of the people. Mary agreed with Clayt that the first line should not be taken out but revised. There was further discussion regarding cash versus incentives. Mr. Neill said groups that are for a public benefit are different. Mr. Bylewski said he is in favor of going forward with this policy. There was also discussion on investment and return that was discussed in Mr. Willert's e-mail. Getting the most of the investment that would benefit many and not just a few. Mr. Willert draws attention to number 7 of Mr. Kempton's numerous. It was suggested that a certain amount a year be set aside. There was discussion about a percentage that would fall in line with the interest earned on the CIDA funds. There are legalities involved. If cash is given for a road, the funds should not be dispersed until the road is completed. Mr. Bylewski said that he still thinks that they should take the first sentence out. There will always be questions in defining who gets what. How do you define what is more important. Mr. Ertel said that many secondaries are going to function without CIDA funding anyway. They will find funds somewhere else either through donations or through the budgetary process of the Town. The purpose of the CIDA is to create more business that probably would not be here if they did not receive the CIDA incentives.

There was also discussion regarding loan funds. Mr. Neill said that it would have to be something that would benefit the Town not something an individual would own. Paul Leone did not think that would be a good idea.

There was discussion on setting a percentage. Mr. Buettner said that we could set aside the percentage and we don't have to spend that every year. Ms. Powell said that they could set aside a percentage cap. A minimum of 3% with a cap of 20%. Mr. Bylewski agreed that they should go with a percentage cap of 5% of the capital fund. Mr. Bylewski asked what we are doing to market the Town. There was further discussion regarding donations, marketing, investments, and advertising. Mary Powell and Mr. Hartzell agreed that this is not a marketing issue. Marketing is the advertising. Donations to secondaries are a different line item. They have to be kept separate.

Mr. Bylewski said he understands the separation of line items. Mr. Buettner and Mr. Bylewski discussed the importance of marketing the CIDA and promoting good will. Ms. Powell said that donations last year were 0. Ms. Powell thinks that 3% was generous. Mr. Leone asked if this is secondary issues? Ms. Powell and Mr. Neill said yes. Mr. Bylewski said that he is in favor of 5%. Mr. Buettner said he is agreeable with 5%. Mr. Ertel and Mr. Hartzell are not in favor of setting aside any percent for secondaries. Mr. Neill, although, he cannot vote, is in favor of three percent. Mr. Leone also, even though he cannot vote, is not in favor of secondary funding. Mr. Hartzell agrees with the policy and that the CIDA should be giving money to anything that does not meet with the provisions of the IDA charter. Mr. Neill said that Chris laid it out very well in his e-mail Mr. Leone is in favor of a dollar cap. Ms. Powell is in favor of secondaries and 3%. If they want to change it in future, they can. See what happens in the next twelve months. Mr. Bylewski asked Mr. Hartzell if he is favor of Mr. Drescher's policy or no policy. Mr. Hartzell is in favor of the policy. There was further discussion and it was agreed that they would delete the first sentence of the Policy paragraph. Mr. Neill agreed with a cap on secondaries. Ms. Powell agreed. Mr. Neill said that Mr. Hartzell said he disagrees with the cap. If it benefits economic development. Mr. Bylewski said that he feels the policy serves both primary and secondary purposes. Ms. Powell said using a portion of the CIDA funds is okay. Mr. Hartzell said that we have projects in the past and spending on economic development, why not spend it. Mr. Neill agreed, but said that the question is what is the best use of the money....what will it benefit. Having secondary projects will take away from those projects of the most value, the best use of the money.

It was agreed that there should be a cap on secondary project. The amount of the cap will have to be voted on. Mr. Buettner asked when was the last time we got requests for secondary projects. He does not understand who is going to ask us for what . Ms. Powell said we need a policy and it does not make a difference how many requests have been asked. We need the policy in place so that if we have requests, we have a policy in place. Mr. Ertel said that we will be getting in requests. Main Street is becoming a viable area for development. Mr. Bylewski said that he has had requests for rebuilding or locating to Clarence. There are businesses out there. Ms. Powell asked that everyone think about the basic criteria should be.

Mr. Hartzell talked about the stone walls around Clarence. He suggested that the CIDA have someone look at how to get the money for the stone walls. Having someone find grant monies for the walls. Stone walls are branding the Town of Clarence. They were all up and down Main Street. This will be discussed further.

Mary wanted everyone to think about it.

Meeting was adjourned at 6:30 p.m.