

**MINUTES OF THE MEETING OF THE
VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY**

HELD: January 9, 2019

TIME AND PLACE: 6:30 P.M., Village Hall, 222 Grace Church Street, Port Chester, New York

A meeting of the Village of Port Chester Industrial Development Agency was convened on Wednesday, January 9, 2019 at 6:30 p.m. at Village Hall, 222 Grace Church Street, Port Chester, New York 10573.

PCIDA ROLL CALL

The PCIDA meeting was called to order at 6:30 p.m. by Chairman Frank Ferrara. On the motion of Board member Richard Cuddy, which was seconded by Board member Daniel Brakewood, the meeting was called to order with the following additional Board members being present: John Hiensch, Richard O'Connell and James Taylor.

Also in attendance was Board Counsel Justin Miller, Administrative Director Christopher Steers, Assistant Planning Director Daniel Messplay, Treasurer Leonie Douglas, and Acting Board Secretary Constance Phillips.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>BRAKEWOOD</u>		<u>X</u>	<u>X</u>		
<u>BRESCIO</u>			<u>Absent</u>		
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>O'CONNELL</u>			<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		

Chairman Ferrara noted that Board member Michael Brescio cannot attend due to a work engagement.

He also informed the Board of an add-on to tonight's agenda, with Mr. Alan Getz from AKT2 Realty/200 William Street – Vanguard Investors having called after the agenda had been published, expressing a desire to appear before the Board tonight to provide an update on his project.

URBANOMICS CHILD GENERATION STUDY PRESENTATION

Chairman Ferrara reintroduced Tina Lund, the principal of Urbanomics. Urbanomics had performed demographic studies previously for the Village when they were awarded a contract by the IDA in 2014 to study the issue of new school age children likely to move to the Village as a result of new projects that would come before the Agency board to request assistance.

The study was well received and at the behest of Chairman Ferrara early last year the Board contracted with Urbanomics to update the report given new projects in our downtown that have come online since the initial study. It was hoped the information from these projects would fine tune the projection tools provided by the initial report.

Tina Lund of Urbanomics shared her findings with the board. She began by saying it's been interesting to go back and see how things measured up after a few more years of data. Ms. Lund said her report covers the following areas:

☛The Overview

Ms. Lund spoke of the Data Input that was used, including raw student enrollment from 2010 forward as well as various studies that had been conducted for the Village and the Schools, some of which were performed by Urbanomics itself.

☛The Forecast (School Child Forecast)

Ms. Lund pointed out that school child enrollment forecasts from the past report were remarkably accurate, over the longer term coming within about 1%. Whereas in the past they saw schoolchild enrollment peaking in 2019 they are now forecasting 2020. But in any event, they believe Port Chester will increasingly mirror the rest of the County's tendency towards declining enrollment, especially as more modern housing options seen throughout the County come online.

☛The New Multipliers

Ms. Lund described how the multipliers were derived. As with the previous study, American Survey Public Use Microdata Sample (PUMS) Data was used to enable drilling down as locally as possible. Port Chester represented about 25% of the households in the PUMS area, which included Rye Brook, Rye City, Harrison and Mamaroneck. Within this area there are about 23,000 children of whom about 19,000 are in public school. Importantly, only housing units built in 1990 and later were considered, as this newer construction tends to attract a completely different demographic than the previously built Port Chester housing stock.

The characteristics reviewed that are potential child generation markers were housing tenure, whether owner or renter, structure type which is either single family unit, 2-4 units in a structure, or 5 or more units in a structure. Bedrooms were studios, one, two and three or more. The Income levels used are Standard HUD descriptions. The different outcomes between the Rutgers model and Urbanomics model were also described. The new multipliers were also back tested against existing projects for accuracy.

The new multipliers suggest a total of 34 children may attend the public schools from the recently built projects, The Mariner, The Castle, and The Lighthouse. In practice, however, there are only two schoolchildren enrolled in total from these projects for the current fiscal year. Ms. Lund defended the projections as valid but not being projected in the numbers at the present time, possibly because people in these projects have the money to educate privately, and also perhaps some children are too young yet to be enrolled.

Against these projections and results, Ms. Lund ran the multipliers for potential projects that have been presented to the Village:

Projections (44 potential additional children)

North Main/Westchester Ave (Retail D)	9 school age children
16-18 North Main Street	0 maybe 1 school age child
Station Lofts	28 school age children
The Complex at Westchester	7 school age children

➤The Cost per Student

Using the 2018-2019 school budget of just under ninety million dollars, soft costs per child averaged **\$19,323 each year**. State aid and other funding sources reduce that cost to **\$13,863** per student. In the past the schools have not wanted to include State Aid given its year to year uncertainty. Using the lower number, the projection of 44 potential children in the proposed projects represents an additional cost of **\$610,000 per year** added to the school budget.

Hard Costs were arrived at in a more roundabout manner. Current cost estimates to the school were not readily available. Instead, a very recent construction cost survey for New York was used which came up with \$250 per square foot for elementary through high school. The average floor space per child per NYS Education is 100 square feet which comes to a cost of \$25,000 per child. State aid pays for about 29% of project costs so the average one-time hard cost per child minus state aid is \$15,000. Again, the question of whether State Aid should be included has been debated.

➤Where do we go from here?

Ms. Lund asked for permission to approach the School District with the report as presented. The Agency Board strongly encouraged her to do so.

She suggested she took note of Board members' comments both during and after her presentation and will integrate them into the report along with reaction by the School Board and hopes to have a final product for publication in time for the February Board meeting.

200 WILLIAM STREET

Alan Getz and Kurt Getz of AKT2 Realty provided the Board with an update of their project. Mr. Alan Getz began by saying the last time they were before the Board they did not have a complete handle on the scope of work for the building. The request for exemption was therefore limited to immediately planned work, but they now have a complete budget projection.

Mr. Getz said the building was a notorious building before they got involved for its code compliance issues. They have had to address structural issues with steel supports and believe the building is now structurally sound. They also feel it is more visually appealing as there has been substantial repointing to the façade, and a structure that was not sound has been removed. They also expect to install new footings.

The result is they have almost exhausted the modest benefit initially awarded and asked the Board to support a significant expansion of the construction budget and an award of a mortgage tax reduction. They understand that this additional benefit will trigger the need for a Public Hearing. Given their need for urgency they asked if the Board would commit to holding a PH at its next meeting with the proviso that a revised application with budget and mortgage request be presented in a timely manner.

An interactive question and answer session was held with the Board after which the Board thanked the applicants for the pre-notification of their request to submit an application.

Board Counsel Justin Miller said that if the Board is comfortable with the applicant's request and an acceptable application is received a Public Hearing could be set for next month's meeting. There were no objections and a February hearing is likely.

CHAIRMAN'S REMARKS

Chairman Ferrara wished a fond farewell to Assistant Planning Director Daniel Messplay who will be leaving the Village on Friday. Second to Planning Director Eric Zamft, Mr. Messplay has been a terrific help to the Chairman and to the Board over the last couple of years. The Board also thanked Mr. Messplay.

Chairman Ferrara said he wanted to say a thank you to the Board members for their service, which he does not believe volunteers for Village boards and commissions hear enough, although their service is a vital part of the Village's success.

Chairman Ferrara commented on reading materials he included for the Board's edification in this month's back up, including one on the relentless climb of construction costs and another reporting on the New Rochelle IDA declining to award benefits to a particular project, which he feels is evidence that IDA's take their due diligence seriously.

Of particular note he dwelled on a report that the Yonkers IDA, after including labor standards in their UTEP in December 2017, had removed them in December 2018. Unions vociferously objected, but in the year during which they were in effect no new projects applied for benefit in the most active real estate development market in over a decade. This is yet another confirmation that labor standards, that can increase the cost of a project from 20 – 30%, are simply too expensive for the income levels generated by Westchester County projects, which are limited in density as compared to New York City projects, and command a significantly lesser rent per comparable apartment.

MINUTES

On the motion of Board member Richard O’Connell, which was seconded by Board member Daniel Brakewood, the minutes of the December 12, 2018 meeting were approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>BRAKEWOOD</u>		<u>X</u>	<u>X</u>		
<u>BRESCIO</u>			<u>Absent</u>		
<u>CUDDY</u>					<u>X</u>
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>O’CONNELL</u>	<u>X</u>		<u>X</u>		
<u>TAYLOR</u>					<u>X</u>

ADMINISTRATIVE DIRECTOR’S REPORT

Administrative Director Christopher Steers said he really had nothing of any substance except there has been some movement with the United Hospital project. More information should be forthcoming in the next few weeks.

UTEP DRAFT REVISION

Chairman Ferrara extended thanks to Board member Daniel Brakewood for coming up with the suggestion of putting together a heat map and Assistant Planning Director Daniel Messplay for taking the lead in producing the map.

Mr. Messplay reviewed the map with the Board and said that the map shows the valuation of properties in Port Chester acre by acre. There is a 3 million dollar per acre threshold that has been manually plugged into the scale. By looking at the map you can see the various trends. Downtown is the economic driver of the community – the waterfront and the train station areas. There are the Commercial areas - Westchester Avenue, Boston Post Road, North Main Street, Willett and King Street. The map also points out that in the downtown area there are a lot of surface areas such as parking lots that would be of lower value. It also points out that the Boston Post Road and Midland Avenue areas did not live up to what they were initially set out to do in terms of economic development. The Board discussed options for using this data... what’s missing, what businesses we are attracting, taxes, value, support, etc., but no final decision was made regarding making a value per acre improvement metric a part of the UTEP revision as of yet.

PLANNING & DEVELOPMENT

Assistant Planning Director Daniel Messplay said there nothing significant to report and an update has been included in the Board’s packet. In addition the Planning Department is glad to answer any questions the Board may have.

TREASURERS REPORT

Treasurer Leonie Douglas provided the Board with the following financial report

INVOICES

Constance Phillips	\$350.00
Leonie Douglas	\$650.00
Christopher Steers	\$1,500.00

Ms. Douglas also noted that the G&S Escrow account has been replenished and everything is up to date.

See Financial Report next page

Port Chester Industrial Development Agency
Cash Analysis & Net Asset
As of December 31, 2018

Cash on Hand		\$252,543.92	
Cash on Hand & Net Asset @ 12/1/18			\$252,543.92
Deposits/Wire Transfers/ Interest Received			
JP Morgan Chase	Interest Earned in December	1.81	
TD Bank	Interest Earned in December	139.99	
	Total Deposits/Interest		\$ 141.80
	Total Deposits/Transfers/Interest		\$252,685.72
Checks Written			
Constance Phillips	Secretary-December	\$ (350.00)	
Leonie Douglas-A/P	Fin Officer- November	\$ (650.00)	
Christopher Steers-A/P	Administrative Director-November	\$ (1,500.00)	
Harris Beach PLLC	PCIDA General Corp. Matters - November	\$ (650.00)	
Harris Beach PLLC	G&S Re-Development Project	\$ (10,566.99)	
Transpo Industries	Bike Lane Sharrow Proj-Paint Supplies	\$ (10,413.61)	
Xpressmyself.comLLC,Smartsign	Bike Lane Sharrow Proj-Nuts & Bolts	\$ (23.75)	
Halls Signs Inc.	Bike Lane Sharrow Proj-Signs	\$ (1,224.91)	
Alphabet Signs	Bike Lane Sharrow Proj-Stencil Supplies	\$ (273.00)	
Uline, Inc.	Bike Lane Sharrow Proj-Sign Posts	\$ (1,847.67)	
National Council for Com Dev.	G&S Review of Re-Development Proposal	(\$8,750)	
	Checks Written during December		\$ (36,249.93)
Net Asset @ 12/31/18			\$216,435.79
Reconciliation of Bank Accounts & Net Asset			
JPMorgan Chase at 12/1/18		\$ 24,588.77	
December		\$ 1.81	
Transfer from TD Bank 12/17/18		\$ 25,000.00	
Checks Written - December		\$ (36,249.93)	
Total JPMorgan Chase at 12/31/18			\$ 13,340.65
TD Bank at 12/1/18		\$ 227,955.15	
Transfer to Chase Ckg 12/17/18		\$ (25,000.00)	
Interest Earned - December		\$ 139.99	
TD Bank at 12/31/18			\$ 203,095.14
Total Bank Balance/Net Asset at 12/31/18			\$ 216,435.79
Starwood Escrow-Def Rev.	9.9.693	\$ (22,350.89)	
Prepaid Insurance	9.9.480	\$ 1,918.64	
Total Deferred Revenues-Starwood Escrow & Prepaid Expense			\$ (20,432.25)
PCIDA Net Asset at 12/31/18			\$ 196,003.54

Prepared by PCIDA Financial Officer

On the motion of Board member Richard Cuddy, which was seconded by Board member John Hiensch, the invoices and financial report were approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>BRAKEWOOD</u>			<u>X</u>		
<u>BRESCIO</u>			<u>Absent</u>		
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>		<u>X</u>	<u>X</u>		
<u>O'CONNELL</u>			<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		

THELIUS CAPITAL

Chairman Ferrara discussed Thelius Capital, out of New York City and represented by Mr. Aldo Vitagliano who is present tonight to observe. They have approached the Village with an interest in purchasing one of the Village’s municipal parking lots along Irving Ave. They have taken an ownership interest in a parcel next to that lot and an assemblage of properties would assist them in producing a more robust project financially.

The Village Board of Trustees is considering their proposal, and should they agree in principal to sell it, it would likely be declared “surplus” property and conveyed to the Local Development Corporation for negotiation and furtherance to Thelius. The BOT has scheduled a Public Hearing on this matter for their next meeting.

the Village parking lot would allow them to assemble a mthey would like to assemble in order to make a more efficient and higher income profile etc. The Village would declare the property should it agree as surplus property and spin it off to our Local Development Corporation which we created about 5 or 6 years ago but has been dormant. The Board of Trustees has decided to hold a Public Hearing on this matter in January and have a comment period as well. If the Board does decide to convey the property it will do so through the LDC.

SEXUAL HARRASSMENT PREVENTION POLICY

Acting Board Secretary Constance Phillips provided the Board members with a copy of the Village’s Sexual Harassment Policy and asked that everyone take the time to review it. Ms. Phillips informed the Board that the document contains an overview of the policy, who to contact in the event of harassment, and a form to use when submitting a complaint.

The policy is appended to these minutes.

IDA EXECUTIVE SESSION & MEETING ADJOURNMENT

The only remaining business of the IDA tonight is an Executive Session. The Chairman noted that the Local Development Corporation has a meeting scheduled for immediately after the IDA adjournment, but urged the LDC Chairman, Mr. James Taylor, to convene the LDC meeting at this point prior to the IDA ES, so that staff does not need to be unnecessarily detained. There were not objections from the Board.

After the LDC Board meeting, on the motion of Board member John Hiensch, which was seconded by Board member Richard O’Connell the Board entered into Executive Session at 8:10 pm to consult with Board Counsel. *(There will be no actions taken during the Executive Session, therefore when the Board ends the Session the meeting will be adjourned).*

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>BRAKEWOOD</u>			<u>X</u>		
<u>BRESCIO</u>			<u>Absent</u>		
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>	<u>X</u>		<u>X</u>		
<u>O’CONNELL</u>		<u>X</u>	<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		

Respectfully submitted,

Constance Phillips