

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

HELD: March 13, 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, March 13, 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: Michael Brescio, John Hiensch, Richard O'Connell and James Taylor.

Also in attendance was Board Counsel Justin Miller (via telephone), Administrative Director Christopher Steers, Treasurer Leonie Douglas, Treasurer Elect Anthony Siligato 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>X</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'S REMARKS

Chairman Ferrara told the Board that while there was no pressing application business this evening, tonight's meeting was necessitated by the statutory obligation for the Board to review and approve its budget prior to the mandated early April deadline. Staff has decided to take advantage of the requirement to meet to also update the Board on various projects that either have open applications or are likely to come before the Board in the near future.

Chairman Ferrara said that whether he meets with the Administrative Director or not, developers always want to talk about the gas moratorium and the impact on their properties. A number of developers have mentioned that they are likely to use oil which is not as cheap as natural gas nor as environmentally sound. This may not be what the governor had in mind but will likely be what he ends up getting.

One developer has expressed that they are trying to use a more holistic approach whereby they employ passive building design and solar energy. The processes that they are looking at are more expensive but perhaps not prohibitively so if the IDA can accommodate the extra expense. Chairman Ferrara said he told the developer that he couldn't speak for the Board but the Agency is in the process of overhauling its UTEP and one of the things that could be a trigger to obtaining enhanced benefits is a more efficient and/or green design. As we discuss this going forward we may want to revisit this and have a greater in-depth look at these building features.

MINUTES

On the motion of Board member Daniel Brakewood, which was seconded by Board member Richard Cuddy, the minutes of the February 13, 2019 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>X</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>		

ADMINISTRATIVE DIRECTOR REPORT

Administrative Director Christopher Steers detailed the proposed Budget that Staff prepared. He welcomed ideas, comments or suggestions on doing any part of the budget differently. Mr. Steers said overall we are in good shape in that our assets exceed our liabilities.

A brief question and answer session answer was held and it was decided that the line item changes would be to rescind the monies paid to the part time financial officer, whose position has been eliminated, adjust Harris Beach to \$5,000 and staff increases would be handled off line.

(See proposed budget on the next page)

P.C. Industrial Development Agency

Proposed FY 2019-20 Budget

March 13, 2019

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-19	As of 02/28/18	FY 2019-20 Requested Budget	FY2019-20 Proposed Budget	FY 2020-21 Proposed Budget	FY 2021-22 Proposed Budget	FY 2022-23 Proposed Budget
	Actual	Actual	Adopted	Adj. Budget	Actual	Budget	Budget	Budget	Budget	Budget
REVENUES:										
Application Fee (\$500 each)	2,000	1,000	-	-	500	-	-	-	-	-
Closing Fee (\$2,500)	12,478	94,475	-	-	23,408	-	-	-	-	-
IDA Fee (1% on 1st \$10 mil, .5% over \$10 mil)	-	-	-	-	-	-	-	-	-	-
Interest Earnings	598	1,603	250	250	1,491	250	250	250	250	250
Annual Compliance Processing Fee (\$1,500, \$500)	-	-	-	-	-	-	-	-	-	-
Misc. Fees	-	-	-	-	-	-	-	-	-	-
Appropriated Net Asset	-	-	153,950	171,075	-	153,950	153,950	88,950	88,950	88,950
Total Revenues	15,076	97,078	154,200	171,325	25,399	154,200	154,200	89,200	89,200	89,200
APPROPRIATIONS:										
Professional Services:										
Administrative Director	18,000	18,000	18,000	18,000	12,000	18,000	18,000	18,000	18,000	18,000
Financial Officer	7,800	7,800	7,800	7,800	5,200	7,800	7,800	7,800	7,800	7,800
P/T Asst Financial Officer	1,150	1,000	1,500	1,500	500	1,500	1,500	1,500	1,500	1,500
Secretary	4,200	4,200	4,200	4,200	3,150	4,200	4,200	4,200	4,200	4,200
Legal Services	18,530	18,485	15,000	15,000	15,611	15,000	15,000	15,000	15,000	15,000
G & S Administrative	-	-	-	-	10,567	-	-	-	-	-
Marina	-	-	5,000	5,000	-	5,000	5,000	5,000	5,000	5,000
Planning & Development	61,222	8,596	10,000	52,125	35,963	10,000	10,000	10,000	10,000	10,000
Office Expenses:										
Office Supplies	50	202	750	750	150	750	750	750	750	750
Printing	-	-	2,500	2,500	-	2,500	2,500	2,500	2,500	2,500
Education & Training	438	-	1,500	1,500	-	1,500	1,500	1,500	1,500	1,500
Travel Expense	-	-	750	750	-	750	750	750	750	750
Rent	3,000	3,000	3,000	3,000	-	3,000	3,000	3,000	3,000	3,000
Publication of Notices	-	-	100	100	-	100	100	100	100	100
Auditing Services	4,200	4,200	4,500	4,500	4,200	4,500	4,500	4,500	4,500	4,500
Liability Insurance	4,342	4,496	4,600	4,600	4,605	4,600	4,600	4,600	4,600	4,600
Bond/BAN Filing Fees	-	-	-	-	-	-	-	-	-	-
Contingency:										
Contingency	-	-	75,000	13,778	-	75,000	75,000	10,000	10,000	10,000
Total Appropriations	122,932	69,979	154,200	135,103	91,946	154,200	154,200	89,200	89,200	89,200
Change in Net Asset	(107,856)	27,099	-	36,222	(66,547)	-	-	-	-	-
Net Asset Beginning of Year	359,102	251,246	-	-	278,345	-	-	-	-	-
Net Assets - End of Year	251,246	278,345	-	-	211,798	-	-	-	-	-

Prepared by Financial Officer

On the motion of Board member James Taylor, which was seconded by John Hiensch, the Chairman and the Treasurer are authorized to finalize the budget with the discussed line item changes.

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>X</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>TAYLOR</u>	<u>X</u>		<u>X</u>		

Mr. Steers also said that he met with developers/owners to discuss potential IDA assistance:

- Damien Kaali-Nagy of Kaali-Nagy Properties and J. Mathew Cassin of JCM Holdings, with IDA Chairman and staff to discuss potential development opportunities along Westchester Avenue and IDA incentives.
- Richard Ortiz and Joseph Morningstar of Hudson Valley Realty Capital, with IDA Chairman and staff to discuss their recent purchase of 225 Westchester Avenue and potential IDA incentives.
- Met with Ira Brody and Frank Mahoney of Liberty Capital Advisors with IDA Chairman and staff to discuss opportunity zones, development opportunities, and public private partnerships on same.
- Kevin Leahey and Stephen Marty of the Renuus Group with IDA Chairman and staff to discuss their recent purchase of properties on Broad Street

Mr. Steers also met with others as appropriate, including Staff, for website matters and PARIS reporting outreach. The Board held discussions on various aspects of proposed projects throughout the Village.

Chairman Ferrara said that Hudson Realty Capital (local developer) contacted him to announce that they have just purchased the old T&J Café Mirage building. A meeting has been scheduled with them for tomorrow afternoon. They want to rehab the building rather than redevelop the site. They feel that the building has not been maintained properly but can be rehabbed into Class A space. They also said they are interested in making development investments around the Village. They want to meet to discuss IDA procedures and to learn about the various processes that go along with development in Port Chester.

Chairman Ferrara said a letter was received from Mr. Howie Ravikoff questioning IDA operations, our reporting structure, challenging the Village’s considering spinning off the Irving Avenue parking lot to the VoPC Local Development Corporation (LDC), the IDA’s parameters

for granting PILOTs, why the Village does not object to having BOT members on the IDA Board, and other matters.

Chairman Ferrara met with Mr. Ravikoff to discuss his concerns. He explained to Mr. Ravikoff that IDA Board members serve at the will of the Board of Trustees (BOT), and that since 2009 it had been BOT policy to have two Trustees on the IDA Board to more closely align the Boards. It was explained to him that we are working on overhauling our UTEP to more clearly define the path to benefit to insure the process is not arbitrary. Mr. Ferrara also referred him to the IDA website where Agendas and Minutes are routinely posted as are notices of meetings and hearings. Mr. Ravikoff appeared satisfied with the outcome of the meeting.

But Chairman Ferrara said this inquiry demonstrated that our message is just not getting out there. He suggested we should focus on concluding the UTEP overhaul (which is stalled at present until there is more clarity on the BOT rezoning) and enhance our website to make it more intuitive. Chairman Ferrara tasked Mr. Steers with reviewing the website and having it reorganized either internally or through an outside consultant in keeping with our procurement policy.

It was suggested by Board member James Taylor that perhaps once or twice a year we have a joint meeting with the BOT to inform them of the projects we have funded and benefits granted, etc. Although it has been communicated to them, they still may not be aware of how the Village has benefited, what our budget looks like, and let them see the amount of money we have which contributes to low visibility.

Board member Michael Brescio said that the members should get out and look at potential projects coming before the IDA Board. Being able to actually talk to the developers and get their insight prior to the formal presentations they will be making before the IDA Board. The 200 William Street walk around was very enlightening and made it easier to make a decision on incentivizing the project.

UTEF DRAFT REVISIONS

Nothing to report this month, as we wait for the rezoning process to restart at the BOT level after the elections.

DEFINITION OF PUBLIC WORKS

Chairman Ferrara brought to the Board's attention that every year bills come before the State Assembly and Senate to in some fashion or another eliminate the open market for labor on IDA projects. To date these efforts have been unsuccessful. But this year there appears a good chance that IDA projects will be defined as "Public Works," thus mandating prevailing wage.

We know from the research we did for our Labor mandate presentation in October 2016 that the New York City Independent Budget Office published a study indicating that Prevailing Wage increases the cost of projects - not labor costs but the entire project - by an average of 23%. Chairman Ferrara pointed out this kind of increase would eliminate the IDA's ability to incentivize projects, because inducement would likely require an elimination of any Payments in

lieu of taxes, a non-starter for the Taxing Jurisdictions involved. Thus very few if any projects would get built.

IDA Board Counsel Justin Miller referred to a proposed letter suggested by the NYSEDC that the Board might consider authorizing the Chairman or AD to send to our elected representatives. After some discussion it was decided to send the letter on behalf of the IDA to Governor Cuomo, Senator Shelly Mayer, and Assemblymen Steve Otis. (See letter below)

RE: Expanding the Definition of Public Works, S.1947 (Ramos)/A.1261 (Bronson)

On behalf of the Village of Port Chester Industrial Development Agency (VoPC IDA), I am writing to oppose expanding the definition of “public works.” We understand that this proposal is being discussed as part of the current budget negotiations and will continue to be a focus during the legislative session, however we believe that this proposal does not lend itself to the 21st century model for a growing economy which is based on public-private and academic partnerships.

New York State is already one of the most expensive states to do business. By expanding prevailing wage mandates costs would be driven up significantly on a wide variety of projects across the state, including manufacturing, affordable and market rate housing, urban revitalization, historic preservation, and non-profit organization projects, thereby making New York less competitive.

According to a study by the Center for Urban Real Estate (CURE) and Columbia University, mandating prevailing wage would increase project costs by an additional 25 to 30%. Expanding prevailing wage to private projects would simply mean fewer projects, job loss, and billions in lost revenue across New York State.

In 2009, the Ulster County IDA attached prevailing wage requirements to its projects and went two years without a single application for assistance and as recently as last year, the City of Yonkers IDA attached project labor agreements (PLAs) to any IDA assisted project and went a full year without closing a project.

New York’s state and local economic development programs are in place to level the playing field and reduce business costs. They exist to generate economic activity, incentivize private sector investment, create jobs, and increase quality of life in New York State. This legislation would require businesses that access these programs to pay a premium, greater than the value of the incentive used to attract their investment, thus rendering the incentive null and void. New York State has made tremendous progress over the last eight years with our unemployment rate dropping from 9.4% to 4% statewide. However, in the wake of losing out on Amazon HQ2 and the more than 25,000 jobs that would have come with HQ2, this proposal will only further add to the perception that New York is not open for business.

For these reasons, the VoPC IDA strongly opposes redefining public works to include private sector projects.

16-18 NORTH MAIN STREET

Chairman Ferrara said the projects State Historic Preservation Office (SHPO) grant has been approved. This is perhaps the last obstacle for them to go forward with the project. Board Counsel Justin Miller said he would reach out to them to see if they are ready to close on the benefits package approved by the IDA last year.

G&S RETAIL D

A Public Hearing will be scheduled for next month to consider their application. Proper notice will be given and all documentation publicly posted.

M&J WILKOW

Chairman Ferrara reported that this Chicago based investment firm was the new owner of the “Kohl’s Shopping Center.” He cold called them after seeing a press release and in the AD’s absence met with them along with the Mayor and Planning Department to welcome them to the Village and gauge their plans for the property. Background information was included in the Board’s packets.

Wilkow are retail operating experts and own several shopping plazas throughout the country. They retain a 10-20% stake in their holdings and line up capital investors for the balance. They are immediately interested in improving/upgrading the shopping center including the parking lots and building facades. Down the line they will be looking to develop other areas of the shopping center. Chairman Ferrara explained the role of the IDA to them and they will reach out at the appropriate time.

THELIUS CAPITAL

Recall Thelius Capitol provided the Village with an expression of interest in the Irving Avenue parking lot. The Village wishes to explore spinning off the lot through the LDC for further due diligence and must conduct a Public Hearing before it can do so. The original BOT Public Hearing was abrogated due to a meeting cancelation and the BOT has been unable to reschedule it since.

Accordingly, Thelius has asked that this matter be tabled and reconsidered once the new Board is elected and seated. Thus, the matter will be discussed again at the BOT during the April 15th meeting at the earliest and if rescheduled the Public Hearing will occur at one of the BOT meetings in May. Updates to follow.

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
Harris Beach	\$1,283.46
Joelle Rovello	\$250.00
Village of Port Chester	\$3,000.00 Annual renewal for space

(See financial report on next page)

Port Chester Industrial Development Agency
Cash Analysis & Net Asset
As of March 31, 2019

Cash on Hand		\$232,229.93	
Cash on Hand & Net Asset @ 3/1/19			\$232,229.93
Deposits/Wire Transfers/ Interest Received			
JP Morgan Chase	Interest Earned in March 2019	2.19	
TD Bank	Interest Earned in March 2019	155.47	
	Total Deposits/Interest		\$ 157.66
	Total Deposits/Transfers/Interest		\$232,387.59
Checks Written			
Constance Phillips	Secretary-March	\$ (350.00)	
Leonie Douglas-A/P	Fin Officer- Feb	\$ (650.00)	
Christopher Steers-A/P	Administrative Director-Feb	\$ (1,500.00)	
Joelle Rovello	Dep Financial Officer-3rd Qrt	\$ (250.00)	
Harris Beach, PLLC	PCIDA Corporate Matters-Feb	\$ (1,283.46)	
Village of Port Chester	License Agreement for 222 Grace Church	\$ (3,000.00)	
	Checks Written during March		\$ (7,033.46)
Net Asset @ 3/31/19			\$225,354.13
Reconciliation of Bank Accounts & Net Asset			
JPMorgan Chase at 3/1/2019		\$ 28,839.22	
March Deposits		\$ -	
March Interest Earned		\$ 2.19	
Checks Written - March		\$ (7,033.46)	
Total JPMorgan Chase at 3/31/19			\$ 21,807.95
TD Bank at 3/1/19		\$ 203,390.71	
Interest Earned - March 2019		\$ 155.47	
TD Bank at 3/31/19			\$ 203,546.18
Total Bank Balance/Net Asset at 3/31/19			\$ 225,354.13
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 3/31/19			\$ 204,921.88

Prepared by PCIDA Financial Officer

On the motion of Board member Richard Cuddy, which was seconded by Board member James Taylor, 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>X</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>	<u>X</u>		

ADJOURNMENT

On the motion of Board member Richard Cuddy, which was seconded by Board member James Taylor and John Hiensch, the meeting was adjourned to April 13, 2019

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>X</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>	<u>X</u>		

Respectfully submitted,

Constance Phillips