

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

HELD: May 10, 2010

TIME AND PLACE: 6:30 p.m., Village Hall Conference Room, 222 Grace Church Street, Port Chester, New York

ROL CALL: In attendance were Chairman Neil Pagano, Vice-Chairman Joseph Kenner and members James Taylor II and Dennis Pilla; member John Hiensch arrived at 6:40 p.m.

PCIDA staffs attending were: Administrative Director, Dwight Douglas, Counsel, Justin Miller of Harris Beach, PLLC, and CFO Leonie Douglas.

Also attending at 6:35 p.m. for IDA applicant Jetro Cash & Carry, LLC on behalf of the Restaurant Depot project were: CEO Stanley Fleishman and his son Adam Fleishman.

Absent was: member Charles Rosabella.

Chairman Pagano called the meeting to order at 6:30 p.m. Chairman Pagano acknowledged with regret receipt of an April 30, 2010 letter of resignation from Joan Mancuso as secretary of the IDA. Ms. Mancuso's heavy workload as Village Clerk was the expressed reason for her resignation. On behalf of the board, Chairman Pagano extended his thanks to her for her work for the IDA.

On a motion of Mr. Kenner, seconded by Mr. Pilla and carried unanimously, Administrative Director Douglas was appointed acting secretary in the absence of PCIDA secretary. Mr. Douglas pointed out that Elisa Sciarabba, assistant to the Village Manager, had indicated interest in the position of IDA secretary and had submitted a letter and resume in this regard. Chairman Pagano stated he was favorably impressed with Ms. Sciarabba, but would want to go through the interview process and also see if there were other viable candidates before proceeding.

APPROVAL OF MINUTES: The minutes of April 12, 2010 were reviewed, some minor corrections made, including clarification that the record show that Chairman Pagano's relationship in real estate and family connection is with Mr. Didden and not Mr. Bologna. The minutes were adopted as amended on a motion by Mr. Kenner, seconded by Mr. Pilla and carried unanimously.

BILLS & COMMUNICATIONS: Three invoices were reviewed by the board: legal services in November of 2009 provided by Harris-Beach, administrative services provided by Mr. Douglas for April, 2010, secretarial services provided by Joan Mancuso for the April, 2010 meeting. On a motion of Mr. Taylor, seconded by Mr. Pilla and carried unanimously the invoices were approved to be paid.

An additional invoice was presented for payment by Ms. Douglas and a motion of Mr. Taylor, seconded by Mr. Pilla, the invoice was approved to be paid.

REPORT OF THE TREASURER: Ms. Douglas indicated that a full report would be prepared for the board for next month's meeting, and that the IDA had a current balance of approximately \$240,000.00

MATTERS FOR BOARD ACTION:

1. JETRO APPLICATION: At 6:45 p.m. Stanley and Adam Fleishman were invited into the conference room to make a presentation regarding their plans to purchase and equip a former Lillian Vernon warehouse and distribution building at 305 South Regent Street. A preliminary concept plan was presented which indicated that a portion of the former building would be demolished to provide for improved parking and truck loading. Two plans were presented with different parking and loading configurations. The revised building would house a Restaurant Depot use, serving the needs solely of restaurants in an approximately 15 to 20 mile radius. As such the Depot would not be open to the general public and would not compete with Costco or other similar facilities. The facility would be open seven days a week and a significant portion of the proposed 75,000 square foot facility would be dedicated to "perishable" food items. A similar facility exists in Mount Vernon and IDA members and staff were invited to visit the existing operation. Timing was of particular importance to Mr. Fleishman, as the seller was only willing to provide a 90 day interval before a closing must take place. Mr. Fleishman anticipated entering into a purchase contract this week.

Mr. Pilla expressed support for the proposal, but questioned whether the IDA should be reviewing plans at this stage of the development, prior to submission to the Planning Commission. Mr. Taylor echoed this concern, given that the IDA was in the process of updating its policies and procedures to ensure proper compliance with state requirements. Mr. Fleishman noted that the seller was looking for evidence that Restaurant Depot was moving forward aggressively to obtain necessary approvals for the project and that a conference call had been conducted with Mr. Douglas and Pat Cleary the Village's planner to identify key issues under SEQRA and develop a timeline for submission to the Planning Commission. Mr. Douglas confirmed that this was so and indicated that, given the seller's tight timetable, it was deemed necessary for the project to seek required IDA and Planning approvals simultaneously, rather than waiting for the Planning Commission to first act.

At the suggestion of Mr. Taylor, action on the draft resolution accepting the Restaurant Depot application and scheduling a public hearing was put off until the agency had the opportunity to deal with the draft policies and procedures which were also on tonight's agenda, noting that the resolution regarding this application could be dealt with after this was accomplished.

At approximately 7:20 p.m. the Fleishman's left the meeting, and the agency continued with its regular agenda.

2. RATIFICATION OF POLICIES AND PROCEDURES: At Chairman Pagano's request, IDA Counsel Miller led the agency through a series of policies and procedures, including:

- a. Agency Compensation, Reimbursement and Attendance Policy;
- b. Agency Code of Ethics;
- c. Agency Whistleblower Policy;
- d. Agency Investment Policy;
- e. Agency Travel Policy;
- f. Agency Procurement Policy; and
- g. Agency Defense and Indemnification Policy.

Mr. Miller noted that these policies had been drawn up for the board by Harris Beach and apparently adopted by the board in 2006 in response to the Public Authorities Accountability Act of 2005 and he was asking that they be ratified and approved at this time, noting that he and Mr. Douglas, with the assistance of Chairman Pagano were still in the process of ensuring that the prior records of the PCIDA were complete and the required adoption of the above had taken place and was duly recorded and preserved. The agency members agreed that this action was appropriate.

Mr. Miller then walked through a red-lined version of the IDA's by-laws. Chairman Pagano and Mr. Taylor noted that they had been working to bring the by-laws up to date, and that this red-lined version accomplished their goals. Mr. Miller highlighted updated sections including the establishment of the Governance and Audit and Finance Committees and the revised procedure for calling special meetings. Mr. Douglas noted that the by-laws regarding "manner of voting" presently required a majority of those present to carry a motion, provided a quorum was present in the first instance. Once the agency had a full complement of seven members, some consideration should be given to amending this section and requiring a majority of the full board for any action to be taken.

Mr. Miller then reviewed the following with the board:

- a. Amended and Restated Property Disposition Guidelines;
- b. Amended Audit/Finance Committee Charter; and
- c. Amended Governance Committee Charter,

Further noting that while the draft charters for both committees anticipated appointing three members of the board to serve on each, for the present it was the desire of the board that the entire board serves on the Audit/Finance and Governance committees. Once the board had its full complement of seven members, this matter could be reconsidered.

The draft PCIDA application containing a proposed IDA fee schedule was next reviewed, Mr. Miller and Mr. Douglas noting that the proposed fee schedule had been compared with those from other Westchester county IDA's and was recommended for both its simplicity of administration and to ensure that a fee was collected with the initial

application. There was general concurrence that the proposed application and fee schedule were appropriate.

At this point Chairman Pagano called for a vote on the resolution No. 05/2010-1, annexed hereto and made a part of these minutes which implemented the above policies and procedures. Mr. Taylor, seconded, by Mr. Kenner moved the resolution, subject to a minor correction made during the discussion to continue the CFO Leonie Douglas as Agency Contracting Officer. The motion was unanimously approved.

3. UNIFORM TAX EXEMPTION POLICY: Next, regarding adoption of a Uniform Tax Exemption Policy (UTEP), Mr. Miller reviewed his memo, draft resolution and draft Uniform Tax Exemption Policy Statement, noting that the required action at this time was to “accept the form of the policy” and set a public hearing with a minimum of 60 days notice to the taxing jurisdictions. Concern was expressed by the board members with the granting of Tax Abatements, given the difficult economic times the municipalities and school districts were experiencing and the general sense that previous PILOT agreements had been overly generous

Mr. Miller and Mr. Douglas noted that it was the intent of the proposed policy to only grant abatements for the increased tax payments generated by new construction or renovation activity, and that the old assessment would serve as a base tax amount that would continue to be paid. Mr. Miller further explained that the contemplated PILOTs would be phased out over time to reach full payment and that tax rate increases on the original ‘base’ amount on the property would continue. Mr. Pilla suggested that Mr. Miller and Mr. Douglas attend the June 7th Village Board of Trustees’ meeting to explain the policy directly as this matter was likely to stir some controversy unless a coherent explanation was presented at an early stage. Mr. Taylor suggested that the same be provided for the school district. Mr. Douglas indicated that he would reach out to school district’s business office to see if a meeting could be arranged to provide the same level of information.

Chairman Pagano then called for a motion on Resolution 05/2010-2, approving the form of the Uniform Tax Exemption Policy and setting a public hearing on July 12th, 2010, all as annexed hereto and made a part of these minutes. Mr. Kenner moved resolution 05/2010-2, seconded by Mr. Taylor and carried unanimously.

(1. reprised) JETRO – carried over from above: Chairman Pagano then re-opened the discussion on the (Jetro) Restaurant Depot application for assistance. Mr. Miller confirmed that approval of the resolution presented at the meeting which accepted the application and set a public hearing did not constitute any form of approval or obligate the PCIDA to approve the subject application. Based on this opinion and general board support for the project, Mr. Kenner, seconded by Mr. Hiensch moved the annexed “Initial Project Resolution for Jetro Cash and Carry Enterprises, LLC.” The motion carried unanimously.

4. BOLOGNA/DIDDEN APPEAL: Mr. Douglas then noted that the Board of Trustees had acted to authorize up to \$5000.00 to be paid to Harris Beach to review the recent Bologna/Didden decision and determine areas which might be suitable for the filing of an appeal and had requested that one half of this amount be authorized by the PCIDA. Mr. Hiensch moved, seconded by Mr. Kenner and unanimously approved that \$2500 be appropriated from the IDA funds to be transferred to the Village of Port Chester to pay for these services.

5. EMBASSY THEATER DISCUSSION: Mr. Douglas then briefly reported on his meetings with prospective developers for the Embassy Theater renovation for a performing arts project noting that the applicant had identified the lack of available parking as the key constraint on the success his project. As the theater is in close proximity to the Metro North station and additional parking had been a consideration of a proposed inter-modal transit center for this area, it was agreed that some research as to the status of the inter-modal project was warranted. Ms. Leonie Douglas left the meeting at this point

At 10:25 p.m. on a motion of Mr. Kenner, seconded by Mr. Pilla, the board entered into executive session to discuss the status of potential appeal of the Bologna/Didden court decision. During the executive session no action was taken.

At 10:40 p.m. on a motion of Mr. Taylor, seconded by Mr. Kenner, the board came out of executive session.

At 10:45 p.m. on a motion of Mr. Kenner, seconded by Mr. Pilla, the meeting was adjourned.

Respectfully submitted, Dwight Douglas, Acting Secretary

INITIAL PROJECT RESOLUTION
(Jetro Cash And Carry Enterprises, LLC)

A regular meeting of the Village of Port Chester Industrial Development Agency was convened on Monday May 10, 2010, at 6:30 p.m. at 222 Grace Church Street, Port Chester, New York, 10573.

The meeting was called to order by the Chairman, with the following members being:

PRESENT: Neil Pagano, Joseph Kenner, James Taylor II, Dennis Pilla, John Hiensch

ABSENT: Charles Rosabella

THE FOLLOWING PERSONS WERE ALSO PRESENT:

On motion duly made and seconded, the following resolution was placed before the members of the Village of Port Chester Industrial Development Agency:

Resolution No. 05/2010 - 1

RESOLUTION OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF JETRO CASH AND CARRY ENTERPRISES, LLC (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS FURTHER DESCRIBED HEREIN) PROPOSED TO BE UNDERTAKEN BY THE COMPANY AS AGENT OF THE AGENCY; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 632 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **JETRO CASH AND CARRY ENTERPRISES, LLC**, a Delaware limited liability company having offices at 15-24 132nd Street, College Point, New York 11356, for itself and/or on behalf of an entity to be formed (hereinafter and collectively, the "Company") has submitted an application (the "Application") to the Agency wherein it has requested the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in approximately 6.2 acres of land located at 305 South Regent Street (such parcel being more particularly described as TMID No. 2-127-52B4, and herein, the "Land") and the existing improvements located thereon, including an approximately 136,500 square feet of office and warehouse building space and related improvements located upon the

Land (collectively, the “Existing Improvements”); (ii) the acquisition, demolition, rehabilitation, construction and equipping by the Company as agent of the Agency of approximately 75,000 square feet of reconfigured and finished building space on the Land, along with certain upgrades and improvements to the Existing Improvements, all for use as a commercial restaurant equipment and supply facility to be operated as a “Restaurant Depot” (the “Improvements”); (iii) the acquisition of and installation in and around the Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the “Equipment” and, collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the “Financial Assistance”) in the form of: (1) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, renovation or equipping of the Facility, (2) the grant of one or more mortgage liens on the Agency’s interest in the Facility (the “Mortgages”) to secure indebtedness incurred by or for the benefit of the Company in connection with the Project, which Mortgages would be exempt from all mortgage recording taxes imposed in the State, and (3) the retention of a leasehold interest in the Facility by the Agency for a period of time so as to enable the Company to enter into an agreement with the Agency regarding payments in lieu of real property taxes (the “PILOT Agreement”); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, pursuant to Section 859-a of the Act, the Agency, among other things, must hold a public hearing with respect to the Project pursuant to and in compliance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon the representations made by the Company to the Agency in the Company’s Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in the Village of Port Chester, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The proposed Financial Assistance being contemplated by the Agency includes (i) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land and the Improvements (or such interest therein as is conveyed to the Agency); (ii) an exemption from all New York State and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, reconstruction, renovation, rehabilitation or equipping of the Facility; and (iii) a partial abatement or exemption from real property taxes levied against the Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its final determination whether to approve the Financial Assistance, and the Company is further authorized to advance such funds as may be necessary for such purpose.

Section 4. The Agency is hereby authorized to schedule, notice and conduct a public hearing in compliance with the Act.

Section 5. The members, officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<i>YEA</i>	<i>NEA</i>	<i>ABSTAIN</i>	<i>ABSENT</i>
Neil Pagano	[X]	[]	[]	[]
Hon. Dennis Pilla	[X]	[]	[]	[]
Hon. Joseph Kenner	[X]	[]	[]	[]
James Taylor	[X]	[]	[]	[]
John Heinsch	[X]	[]	[]	[]
Charles Rosabella	[]	[]	[]	[X]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) SS:

I, the undersigned Secretary of the Village of Port Chester Industrial Development Agency, DO HEREBY CERTIFY:


That I have compared the annexed extract of minutes of the meeting of the Village of Port Chester Industrial Development Agency (the "Agency"), including the resolution contained therein, held on May 10, 2010, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 15th day of September, 2010.



Secretary

[SEAL]