

PUBLIC HEARING AGENDA
VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY

JETRO CASH AND CARRY ENTERPRISES, LLC PROJECT

JULY 12, 2010, AT 6:30 P.M.

VILLAGE HALL, 222 GRACE CHURCH STREET, PORT CHESTER, NEW YORK 10573

ATTENDANCE LIST:

In attendance were Chairman Neil Pagano, Vice-Chairman Joseph Kenner and members James Taylor II, John Hiensch, and Dennis Pilla

Also in attendance were IDA Secretary, Elisa Sciarabba, Administrative Director, Dwight Douglas and IDA Counsel, Justin Miller of Harris Beach, PLLC and Stanley Fleishman, JETRO company representative.

Absent was member Charles Rosabella

CALL TO ORDER: (Time: 7:42 p.m.). Following the Public Hearing for the UTEP that began this evening at 6:30PM, on a motion of Member Pilla, seconded by Vice-Chairman Kenner, the public hearing was opened and Mr. Miller read the following into the hearing record:

PURPOSE:

Pursuant to and in accordance with General Municipal Law Section 859-a, the Village of Port Chester Industrial Development Agency (the "Agency") is conducting this public hearing in connection with a certain proposed project, as more fully described below (the "Project"), to be undertaken by the Agency for the benefit of Jetro Cash And Carry Enterprises, LLC (the "Company").

The Agency published a Notice of Public Hearing in *The Journal News* on June 9, 2010, and mailed a copy of the Notice of Public Hearing to each affected tax jurisdiction. An Affidavit of Publication of *The Journal News* and Proof of Mailing are attached.

DISCUSSION:

Mr. Miller read a description of the Project, as follows:

The proposed Project shall consist 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

The Agency contemplates providing financial assistance (the "Financial Assistance") to the Company in the form of: (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a mortgage recording tax exemption for financing(s) related to the Project. The foregoing Financial Assistance and the Agency's involvement in the Project are being considered to promote the economic welfare and prosperity of residents of the Village of Port Chester, New York.

The hearing was opened to Stanley Fleischman, company representative, to make a presentation.

Mr. Fleischman stated that the project is moving along. They have a signed contract with the seller. Everything is in order and the submission is going to the Planning Commission on July 13, 2010.

The project is 75,000 sf. Traffic studies have been done and they show that there is a low increased intensity from the proposed project. Restaurant Depot is not open to the public. Mr. Fleischman stated that the traffic would be similar to the traffic the site had been accustomed to. He thinks it is a great location for the business and indicated a preference to locate here instead of the five or six other sites he has looked into.

Mr. Douglas stated that prior to the Agency adopting an inducement resolution for the project an environmental finding by the Port Chester Planning Commission needs to be made. Mr. Miller stated that the inducement resolution could go on the August 11, 2010 meeting.

Mr. Taylor noted that the key is going to be ongoing audits and disclosure. If it works out, he hopes JETRO would be a good faith partner in providing the necessary information regarding job creation and sales tax benefits utilized by the project.

Vice-Chairman Kenner asked if the 57 jobs created would be filled with people from Port Chester. Mr. Fleischman said that is their hope and that, other than two management persons who will be brought over from the Mt. Vernon store, the 57 jobs would be new jobs and that it would probably end up being more than that. He also stated that he would be willing to work with Port Chester for ways to recruit.

Mr. Heinsch asked about the sales tax and sales volume. Mr. Fleischman stated that the sales tax would be between \$25,000 and \$30,000 per month. The sales volume in the first month should be \$700,000 per week and \$900,000 per week at the end of the first year.

Mr. Pilla congratulated Mr. Fleischman. He asked how much of the sales numbers would be cannibalized from the Mt. Vernon store. Mr. Fleischman stated that of the \$800,000 sales volume number, approximately \$250,000-\$300,000 per week would be from the Mt. Vernon store.

AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$19,000,000, with the addition of 57 new jobs within 1 year of project completion. A significant number of construction jobs are contemplated, and the Company contemplates adding an additional 10 jobs within 3 years of project completion. The Company further projects \$1,937,000 in annual payroll within 2 years of Project Completion, with an estimated \$360,000 in annual sales tax revenues to be generated by the Project.

Based upon additional information provided by the Company, the Agency estimates the following amounts of financial assistance to be provided to the Company:

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| Mortgage Recording Tax Exemption (\$8,000,000 mortgage loan) | = | \$100,000.00 |
| Sales and Use Tax Exemptions (Estimated \$3,500,000 in taxable materials) | = | \$258,125.00 |
| PILOT Savings (current assessment of \$10,687,500; estimated \$14,000,000 as-completed assessed valuation; \$3,312,500 Added Value multiplied by 2010-2011 combined tax rate of 29.157153 = estimated \$96,583.069 savings in PILOT Year 1) | = | \$724,373.01 |
| Total estimated Financial Assistance | = | \$1,082,498.01 |

SEQRA:

The Village of Port Chester Planning Commission (the “Commission”) is reviewing the Project as lead agency under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, “SEQRA”) in furtherance of the Company’s application for Site Plan approval. To date, the Commission has not adopted findings pursuant to SEQRA, and therefore it is contemplated that the Agency will ratify the SEQRA Determination adopted by the Commission in connection with the approval of the Project after the Planning Commission has acted, the earliest date that could occur would be at the Agency’s regular meeting on August 11, 2010.

PUBLIC COMMENT: At 8:05 pm, the public hearing was opened to the public for comment

Bart Didden asked what the difference was between Restaurant Depot and JETRO. Mr. Fleischman clarified that JETRO focuses on smaller bodegas and retail stores while Restaurant Depot focuses on restaurants, including food service businesses and catering halls.

Bart Didden also expressed concern about the traffic in that area of the Village. Mr. Taylor noted that the hourly breakdown is going to be key.

ADJOURNMENT (Time 8:15 p.m.) On a motion of Vice-Chairman Kenner, seconded by Mr. Pilla, the public hearing was adjourned.

JETRO CASH AND CARRY ENTERPRISES, LLC PROJECT

JULY 12, 2010, AT 6:30 P.M.

ATTENDANCE LIST

| Name | Address | Representing |
|--------------------|---------|-------------------|
| Bart Didden | | Board of Trustees |
| Louis Marino | | Board of Trustees |
| Stanley Fleischman | | Applicant – JETRO |
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