

PUBLIC HEARING
VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY

UTEP ADOPTION

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, and John Hiensch

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
Member Pilla arrived at 6:35

CALL TO ORDER: (Time: 6:30 p.m.). On a motion of Mr. Taylor, seconded by Mr. Heinsch, the public hearing was opened and Chairman Pagano read the following into the hearing record:

PURPOSE:

Pursuant to and in accordance with General Municipal Law (“GML”) Section 874(4), the Village of Port Chester Industrial Development Agency (the “Agency”) is conducting this public hearing in connection with a certain proposed Uniform Tax Exemption Policy (the “Policy”), such Policy being attached hereto as **Exhibit A**. In accordance with GML Section 874, the Agency previously circulated the Policy and related notice letter (the “Notice Letter”) to all applicable affected tax jurisdictions (“ATJs”) soliciting comments and inviting the ATJs to attend a duly scheduled public hearing regarding the Policy, certified copies of such Notice Letter were distributed at least 60 days prior to said public hearing and are attached hereto as **Exhibit B**. The Agency has received and responded to written comment and questions on the Policy from the Port Chester School District, a copy of such correspondence in the form of an email exchange between Maura McAward, the Ass’t Sup’t For Business of the Port Chester-Rye Union Free School District and Justin Miller, counsel for the PCIDA during the period 6/3/10-6/9/10 being attached hereto as **Exhibit C**; and

DISCUSSION:

Mr. Miller gave an overview of the Uniform Tax Exemption Policy (UTEP as attached). The UTEP provides the ground rules for the provision of mortgage recording, sales and property tax exemptions for future applications if put into place. Under the proposed policy, a Payment in Lieu of Taxes (PILOT) would be put into place to replace property tax revenue. The actual

amount of tax “abatement” provided would apply only to the value added by construction or renovation to the existing parcel involved. The period of the exemption will not exceed the period of the respective financing or lease and could be for a period of up to twenty (20) years. The Agency will use existing tax assessment data to negotiate the payment in lieu of tax agreement. The agency will consider project factors when determining the amounts to be paid under the PILOT agreement. A copy of the PILOT agreement will be forwarded to each of the affected taxing jurisdictions within fifteen (15) days of execution. There is also financial assistance in the form of Sales and Use Tax Exemptions and Mortgage Recording Tax Exemptions. Deviations from UTEP may be determined by the Agency on a case by case basis and requires written notification by the Agency to the chief executive officer of each of the affected taxing jurisdictions.

Chairman Pagano asked Mr. Miller to go into the specifics of how the PILOT would work and the cost/benefit of the UTEP. Mr. Miller discussed how the PCIDA would consider applications under the UTEP. At a public hearing the IDA would consider the balance of capital investment and job creation. This is how the Board would determine the cost/benefit. Mr. Miller also discussed the financial assistance that would be received by the applicant if the IDA decides to take on the project. The applicant would become an agent of the IDA for sales tax purposes and would receive a sales tax letter from the IDA to present to contractors and suppliers during construction.

Chairman Pagano asked if the current assessment would be frozen and whether or not the PILOT would pertain only to the “added value” of the project once the improvements were completed. Mr. Miller confirmed this.

Chairman Pagano asked how the added value would be resolved. Mr. Miller said it would be a function of the assessor to evaluate the increase in assessed value for the property.

Vice-Chairman Kenner asked what necessity would warrant an abatement of tax revenues through a PILOT. Mr. Miller restated that the abatement of the increase in assessment was a means of attracting investment and encouraging job creation. He further noted that the PCIDA had discretion through the UTEP to grant such an abatement up to twenty (20) years, but quite often it would be limited to a ten year period and there would be a built in escalation factor.

Mr. Miller stated that the PCIDA can take a look at the capital investment and job creation to determine the amount of investment for capital assistance under the UTEP.

Mr. Pilla commended the Board for the good efforts with the UTEP but was worried about the deviations (Para 3 of the UTEP). He was also concerned about the Board rushing into the UTEP and asked whether or not it would be appropriate to have the Village Board of Trustees approve deviations. Mr. Taylor said he would be concerned about having the Board of Trustees Vote. He also noted that it was his understanding that this policy was modeled after what other IDAs have put into place. Mr. Taylor also pointed out that there is a new Board of Trustees and while they may not currently have comments, the IDA could adopt the UTEP and go back and make changes if feedback is received by the Board of Trustees. Mr. Miller noted that about fifteen (15) other IDA’s that he deals with have the exact same policy.

Mr. Taylor asked if the agency through the UTEP would be inducing a project independently or would the business come to the Village first. Mr. Miller stated that while the agency functions independently, it is best to work in close cooperation with the Village in evaluating the potential benefits and that this is part of the balance in considering projects, to see if they would come here anyway.

Chairman Pagano asked about the audit requirement which is part of the agreement with applicants. Mr. Miller stated that the annual reporting is in accordance with the General Municipal Law. It looks at job numbers and the amount of sales tax exemption utilized.

Chairman Pagano asked about the PILOT administration. Mr. Miller discussed the process. The PILOT is filed within 30 days with all taxing jurisdictions in addition to being filed with the Assessor to be switched to Section 1, "Taxable" to Section 8, "Exempt" on the assessment rolls.

ATJ COMMENT:

There were no comments from any of the Taxing Jurisdictions at the Hearing.

PUBLIC COMMENT:

At 7:20 the Chairman asked the public if they had any comments.

Bart Didden stated that the discussion on the UTEP had been enlightening and asked if there would be a completion day for the PILOT's. Mr. Miller stated that the applicant/company would be appointed as Agent for a limited time and if they can't meet the date they would lose their tax exempt status.

Mr. Didden asked about the ongoing impact of PILOTs on the Homestead Act in Port Chester, noting that the IDA controls a major section of the Non-Homestead area in the Village. He asked whether the Village has a conflict (of interest) regarding Homestead impact, since the Board of Trustees must renew it annually and it is so dramatically compromised from offering Non Homestead exemptions by the number and amount of the PILOTs that the IDA approves. Mr. Pilla stated that Port Chester has the ability to look at Homestead which applies to 3 family homes or less or Non Homestead, which is confined to commercial and industrial properties. Mr. Miller stated that usually projects of \$1,000,000 or less doesn't benefit to go to the IDA.

Bart Didden discussed the shift of the tax burden from homestead to commercial properties and raised the question of whether the Village has a conflict (of interest) because in approving a PILOT it is shifting the tax burden to Non Homestead properties. Mr. Douglas noted that tax exempt properties still have to pay special assessment taxes for sewer and solid waste.

Mr. Pilla noted that a number of new people have recently been elected to the Village Board of Trustees and that he provided the entire Board with the draft UTEP. He thanked newly elected Board of Trustee members Louis Marino and Bart Didden for attending the meeting hearing. He stated that he wants to keep Port Chester business active and that having a strong IDA will assist in strengthening the Village. Effective contract administration and close monitoring of

receivables and having integration among Village Departments and the IDA will be for the greater good of Port Chester

Mr. Taylor stated that he sees the IDA as an independent agency, but also a team player willing to work with the other Boards and Commissions.

ADJOURNMENT (Time 7:43 p.m.) On a motion of Mr. Taylor, seconded by Vice-Chairman Kenner, the Public Hearing was adjourned

AGENCY UTEP ADOPTION HEARING

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ATTENDANCE LIST

Name	Address	Representing
Bart Didden		Board of Trustees
Louis Marino		Board of Trustees
Stanley Fleishman		JETRO

