

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

**HELD:** August 11, 2010

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

**ROLL CALL:** In attendance were Chairman Neil Pagano, Vice-Chairman Joseph Kenner and members John Hiensch, Richard Cuddy, Philip Semprevivo and Dennis Pilla. Also in attendance were IDA Secretary, Elisa Sciarabba, IDA Administrative Director, Dwight Douglas and IDA Counsel, Justin Miller of Harris Beach, PLLC.

Absent was member James Taylor

CFO Leonie Douglas arrived at 6:53 pm

Chairman Pagano called the meeting to order at 6:30 pm.

**CHAIRMAN'S REMARKS:**

Chairman Pagano congratulated Mr. Semprevivo on his appointment and welcomed him to the Board. Chairman Pagano noted that the Board had a good work session on August 4, 2010 which focused on developing a checklist for future projects and a cost benefit analysis. He thought Mr. Pilla had some great ideas for the checklist that will be put together and distributed to the Board.

**ADMINISTRATIVE DIRECTOR'S REMARKS:**

Mr. Douglas provided the Board with an update on the Embassy Theater project. He had a meeting a few months back with the embassy theater financial team for a potential project with a performing arts concept and radio station broadcast. This would be a major rehabilitation project and they would be looking for financial assistance. The project is hinged on the parking situation and they are looking at economic opportunities that exist. There was a possible opportunity through a grant which the Village received from Nita Lowey's Office for an intermodal and decked parking. Dolph Rotfeld's office had done some design work on the project. The grant total was \$686,000 but there is some difficulty with getting the grant under contract. The Village is having a conference call tomorrow with the Federal Transit Administration to ask for additional time to complete. If an extension is not granted, the grant expires in September.

Dwight also noted that he received some of the G&S subleases from Mr. Tulis. There were about 12 private leases in the file. Mr. Miller stated that it would be a good exercise for checking the PILOT's commencement dates. Mr. Douglas stated that this is a start on pulling together all of the leases. Mr. Hiensch asked if all of the subleases are from G&S entity. Mr. Douglas stated that he would check but believes they are all from G&S. Mr. Cuddy noted that some copies of the leases that were listed on the PILOT schedule are not there, there are still some missing. Mr. Hiensch raised the question of how the agreements were ever executed without square footage and Mr. Douglas stated that the he would have to go to G&S at this point.

Chairman Pagano commended Mr. Douglas's efforts in pulling this information together.

Mr. Douglas explained to the Board that the Village has selected the Auditing Firm Drescher & Malecki and he has reached out to them to see when they are coming down to meet with the Village. Justin Miller has worked with entities that have worked with them before. Mr. Miller noted that the PCIDA could take the Request for Proposal and turn it into a scope of work. Mr. Pilla noted that the firm picked by the Board of Trustees was aggressively priced and competent.

**APPROVAL OF MINUTES:**

The minutes of the July 12, 2010 meeting as well as the July 12, 2010 Public Hearings on the Uniform Tax Exemption Policy and the JETRO Cash and Carry Enterprises, Inc. Project were reviewed and adopted on a motion of Mr. Pilla, seconded by Vice-Chairman Kenner and carried unanimously.

**PAYMENT OF INVOICES:**

An Invoice from Harris Beach, PLLC, attorneys for the Board were presented. The total amount of invoice # 1847221 is \$7,222.64.

An invoice for the Month of July 2010 was presented from the Administrative Director in the amount of \$3,000.

An invoice for secretarial services for the August 4<sup>th</sup> and 11<sup>th</sup> meeting from Elisa Sciarabba in the amount of \$300 was presented.

All three invoices were approved collectively on a motion of Vice-Chairman Kenner and seconded by Mr. Hiensch.

**DISCUSSION/ACTION – G&S Project**

**a) Status/Update Parcel 2a – Brownfield Site – Purdy Ave MGP Site. “Site Cooperation and Settlement Agreement” – “Declaration of Covenants & Restrictions” Con Ed & G&S. NYSDEC**

Mr. Miller explained the situation with the current PETCO site. Historically it was a manufacturing gas plant bought out by Con Ed. It was a contaminated MGP site. In connection with the Modified Redevelopment, a consent agreement was made with the Department of Environmental Conservation (DEC) to clean up the Property. The agreement was between the Village of Port Chester, Con Edison, and the DEC. Under the agreement there was a voluntary clean-up under the DEC and now the owner needs to enter into a Declaration of Covenant & Restrictions. This is subject to DEC approval when the property changes owners. The Covenant has been drafted and Mr. Miller had some minor changes. He is seeking Board approval to sign at some point. It would need to be signed by the Chairman. The Site Cooperation and Settlement Agreement between the IDA and G&S would act as good coverage for the IDA. If this is something enforced by the DEC, Mr. Miller noted that the IDA should just be a pass through once G&S sets up an escrow of funds.

Mr. Hiensch asked if G&S indemnified the Village. He expressed concern that if there were additional problems with the property, G&S may not have the capacity to fix them. If they defaulted on the agreement, he asked what kind of remedies the IDA would have. Mr. Miller said in that case, they would need to terminate the LADA.

Chairman Pagano asked if Mr. Miller was going to revise the problems with the DEC agreement and Mr. Miller stated that he would.

**b) Townsend Street Roadbed- Dedication to the Village of Port Chester**

Mr. Miller explained that Townsend Street was constructed with a title to the IDA. The roadbed and utilities should now be dedicated to the Village of Port Chester. Unit 3 lease would be modified. G&S should pay for any surveying or legal fees.

**c) Termination of Unit 4B Lease. PCIDA transfer title to G&S Subtenant (Masonry Supply Store)**

Mr. Miller explained the Masonry Supply company near the Marina project has been using the parcel for storage. G&S has come to terms with transferring to Masonry. G&S will terminate the lease and transfer to the Masonry.

**d) Termination of Unit 4C Lease & Transfer Title to Sub-tenant**

Mr. Miller explained this parcel has a similar situation and deals with the Gateway Building parking lot. The ultimate goal is similar. G&S has agreed to terminate the lease. The title will be transferred to Gateway. Mr. Pagano noted that currently, the property is off the tax rolls, and after this, it will be back on.

**e) Legal/Administrative Costs in Connection to the Above**

Mr. Miller noted that he is making sure that G&S is picking up the costs which may add to the escrow.

**f) G&S Refinance – Consolidation/Modifications of Meetings on Unit 2B & 2C**

Mr. Miller explained that G&S would like to refinance the mortgages secured against the 2 leases, Unit 2B and Unit 2. The projects have not been done yet. G&S is looking for approval from the IDA.

**g) Monitoring – Certificates of Insurance; Reports Due**

Mr. Miller explained that G&S was supposed to give the Village certificates of insurance that meet the unit leases. After Monday, if Harris Beach is retained by the Village of Port Chester, he may have a better handle on this. It needs to be determined what the financial implications of the bulkhead damage problems are, etcetera. Mr. Hiensch noted that before the meeting with G&S a laundry list of everything we need should be created.

#### **h) PILOT Amendment**

Mr. Miller explained that since G&S now wants to terminate two leases, there will be seven left. He noted that Leonie is doing well with managing billing. Last year there was a dispute concerning a late payment made. G&S and the IDA had a dispute over the payment and because of those issues, a schedule was developed with the terms of each lease. There should be seven unit leases, seven PILOT agreements and columns of what is due when. The number in the schedule should be hard and fast. We need to understand what needs to be in all agreements. It needs to be sent to the taxing jurisdictions.

#### **REPORT OF THE TREASURER:**

Ms. Douglas presented the financial report for the IDA. The IDA began the 2010-2011 fiscal year with \$69,700 in the budget. \$15 was received in interest. \$3,300 was expended. In the beginning of the year \$199,850 was in the money market account, \$3,134 in the checking account. As of today, the total cash on hand is \$187,557.

Ms. Douglas asked for permission to transfer funds between line items. \$750 from one of the other lines for secretarial services. She noted that she would transfer from one of the other lines where money hasn't been expended rather than contingency. On a motion of Member Pilla, seconded by Member Cuddy, the request was approved.

Ms. Douglas presented the Board with a sample of what the PILOT bills look like. The bills went out on July 15, 2010 and are expected back by September 1, 2010. Next year forward, the billing should be billed and collected by the IDA and then distributed. Ms. Douglas confirmed with Mr. Miller that a penalty is charged if the PILOTS are not paid on time,

Ms Douglas discussed the escrow account and on May 28, 2009, escrow for the Brownfield and Purdy Avenue to the G&S account. The money left over from the Brownfield project, at the direction of Mark Tulis was sent to the escrow account. There is \$25,000 in the account. Two bills have been paid for about \$1,000 and G&S needs to remit payment before the bills are paid.

Ms. Douglas discussed the bank accounts and the dual signatories. On a motion of Co-chairman Kenner and seconded by Member Semprevivo, and carried unanimously the resolution was ratified to authorize Dwight Douglas, Leonie Douglas, and Chairman Pagano as signatories. Any two, either Leonie Douglas and the Chairman or Leonie Douglas and Dwight Douglas can sign. Mr. Pagano also noted that he would like to see a check register for the next meeting.

#### **DISCUSSION – REQUIRED TRAINING PURSUANT TO PAAA**

Chairman Pagano explained that there is mandatory training within one year of appointment which Members Cuddy and Semprevivo will have to participate in. Mr. Miller is also an instructor authorized to do the training. Chairman Pagano noted that he would also like to participate in the training as a continuing education requirement. Mr. Miller explained that it is important to stay up to date with news and current events with

other Industrial Development Agencies. Chairman Pagano noted that if the September meeting was a light one, it may be possible to fit the training in.

## **INSURANCE – PCIDA**

Chairman Pagano brought up the issue of Insurance. Co-Chairman Kenner spoke with the Spain Agency, the insurance carrier on the coverage's for the IDA. It was explained to him what coverage's were necessary for the Agency. He received a rough quote of **\$6,500** for coverages but it may be negotiable.

Member Semprevivo asked if there was a standard indemnity in insurance provisions. Mr. Miller noted that there is an indemnity policy Directors and Officers. At the end of the day, all members are covered. Member Semprevivo asked if the indemnity was also covered in lease backs. Mr. Miller confirmed that it was. The company indemnifies IDA. Mr. Miller was not sure if this has been done in the past.

## **MISSION STATEMENT**

Mr. Kenner brought up the Mission Statement of the IDA. He spoke with Brian McManon from the NYSEDC. The Board needs to decide what they want it to look like and whether it should be connected to the Village's Master Plan. Mr. Kenner noted that as the checklist is developed, it should be incorporated into the Mission Statement. He also noted that the Board is on the right track. Mr. Miller noted that he has a rough template to work from and Chairman Pagano said he would like to have it done before the year end.

Chairman Pagano brought up the discussion of membership to the NYSEDC and how it could benefit the IDA. Mr. Miller noted that his firm (**Harris Beach**) has been a member since inception. Some of the agendas are very helpful, and generally there are good programs and it is a good resource for networking. The cost is \$750 per year which includes all members. On a motion of Member Hiensch and seconded by Co-Chairman Kenner and carried unanimously the Board agreed to join the New York State Economic Development Corporation.

Co-Chairman Kenner asked if the budget should be amended to include a membership line. Mr. Douglas noted that the Board may want to add a line for office supplies. Chairman Pagano asked Mr. Douglas to review and come back to the Board.

Chairman Pagano asked Ms. Douglas for letters on fiduciary duty for the new Board members.

## **FOIL REQUESTS**

Mr. Miller noted that two requests came in recently, one regarding Costco ownership documentation which was withdrawn. The second was a request regarding the JETRO application. A FOIL response letter was sent out within 5 days stating that the Board needed an additional 20 days to have the request.

The Board discussed appointing a FOIL Officer and a FOIL Appeal Officer. On a Motion of Member Pilla, seconded by Co-Chairman Kenner, Elisa Sciarabba, IDA Secretary was appointed as FOIL Officer and Dwight Douglas was appointed as the FOIL appeal officer.

At 8:22 pm, on a Motion of Co-Chairman Kenner, seconded by Member Pilla and carried unanimously the Board entered into executive session to consult with counsel regarding pending litigation.

At 8:30 pm on motion of Vice-Chairman Kenner seconded by Member Pilla, the Board came out of executive session

There being no further business before the Board, on motion of Chairman Pagano, seconded by Mr. Pilla, the meeting was adjourned at 8:38 pm.

Respectfully submitted,

*Elisa Sciarabba*

Elisa Sciarabba  
Secretary