

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

HELD: October 26, 2010

TIME AND PLACE: 7:00 P.M., 222 Grace Church Street, Port Chester, New York

ROLL CALL: In attendance were Chairman Neil Pagano, Vice-Chairman Joseph Kenner and members John Hiensch, Phillip Semprevivo, and Richard Cuddy

Also in attendance were IDA Secretary, Elisa Sciarabba, IDA Administrative Director, Dwight Douglas, and CFO Leonie Douglas.

Member Pilla arrived at 7:10 p.m

Member Taylor arrived at 7:15 p.m

Chairman Pagano called the meeting to order at 7:00 pm.

ACTION ON JETRO APPLICATION:

Mr. Douglas notified the Board members that Jetro received a negative declaration from the Planning Commission last night, October 25, 2010 for the site at 305 S. Regent Street. The project involves the redevelopment and reuse of a 6.3 acre parcel of land located at 305 South Regent Street that currently supports a vacant 142,000 square foot warehouse and distribution center, to support a Restaurant Depot facility.

Mr. Douglas summarized aloud the Planning Commission's Reasons for Supporting the Negative Declaration Determination as follows:

The action involves the redevelopment and reuse of a 6.3 acre parcel of land located at 305 South Regent Street that currently supports a vacant 142,000 square foot warehouse and involves the partial demolition of the existing building, leaving a 95,382 square foot building consisting of 76,467 square feet of enclosed space and a 18,915 square foot canopy that encloses covered parking. The existing parking lot will be reconfigured to provide 185 parking spaces and a 5 bay loading dock. Additional improvements include the installation of retaining walls, landscaping, site lighting, and associated site improvements.

Potential impacts relating to the redevelopment and reuse of the site as proposed by the applicant include the following:

1. The redevelopment and reuse of the site to support a Restaurant Depot facility will result in temporary air quality impacts during the demolition of existing building and the construction of the new facility. These temporary impacts to air quality will be carefully monitored by the Building Department and will be controlled through the implementation of a building demolition plan and a construction management plan and site development protocol that will be submitted with the Building Permit application, as well as through a continual

reliance on construction Best Management Practices and continued equipment repair and maintenance. The approved building demolition plan and construction management plan and site development protocol will emphasize minimizing fugitive dust. Employing these measures will assure that the proposed Action will not result in any significant adverse environmental impacts to air quality.

2. The project site has been developed as an industrial site for decades and is entirely impervious. Stormwater will continue to be conveyed to existing on-site stormwater facilities, via existing and new roof leaders and gutters and yard drains. The site's stormwater runoff will be ultimately conveyed to the municipal storm sewer system located in South Regent Street. The proposed project will not result in an increase in the rate of runoff from the site. As a result, the proposed action will not result in any significant changes or adverse environmental impacts to surface water features.
3. The project involves a small 0.24-acre modification to the existing wooded area of the site that is located in the southeast corner of the property. The 0.24-acre encroachment into this area involves 0.5 acres of new impervious surface (parking area) and 0.19 acres of new landscaping. This site disturbance is minor, and allows for the improvements of the truck access maneuvering area adjacent to the new loading dock. The balance of the site will remain as improved paved parking lot or warehouse building, where no further site disturbances will occur. As a result, no significant adverse environmental impacts to land resources are anticipated as a result of the Action.
4. Although extensive land alternations are not proposed, as noted above, the reuse of the site will involve the demolition of a portion of the existing warehouse building. During the demolition process, a potential for soil erosion and sedimentation will exist. This situation will be controlled through the use and installation of temporary soil stabilization and erosion and sediment control devices, as detailed on the Erosion and Sediment Control Plan (Drawing C-3). All devices shall be designed and installed in accordance with New York Guidelines for Urban Erosion and Sediment Control, Fourth Printing, dated April 1998 and New York Standards and Specifications for Urban Erosion and Sediment Control. The Erosion and Sediment Control Plan minimizes the downstream erosion hazard by controlling runoff at its source, minimizing runoff from disturbed areas and de-concentrating stormwater runoff. This plan shall be implemented under the strict supervision of the Village Engineer. As a result, no adverse impacts are anticipated.
5. Long-term noise impacts are not anticipated as a result of the redevelopment of the site to support a Restaurant Depot facility. Truck delivery and passenger vehicle noise will result, however, the noise generated by these vehicles is characteristics of what would be otherwise anticipated within an industrial zoning district. Further, in light of the fact that the redevelopment of the site will involve the elimination of most of the existing loading docks (only 5 bays will remain), it is apparent that the potential for on-site truck vehicle noise will be significantly reduced below previous levels. The main refrigeration mechanical equipment will not be located on the building's roof where it might be heard by neighboring

uses, but rather will be located at ground level, adjacent to the loading docks, within an 8' tall fenced and closed compound.

Short-term noise impacts associated with demolition of a portion of the existing warehouse building and the redevelopment of the site will occur. It is anticipated that worst-case construction activities are anticipated to generate short-term noise levels in the vicinity 85dBA measured at 50' from the noise source.

Short-term noise impacts shall be controlled by maintaining construction equipment in good working order and providing mufflers. In conformance with Village ordinances, construction activities shall be limited to the hours of 8:00 AM to 5:00 PM Monday through Friday and 10:00 AM to 5:00 PM on Saturdays. Interior construction activities may take place at other hours, in accordance with the regulations set forth in Chapter 224 of the Village Code. As a result, these controlled, short-term noise impacts will not result in a significant adverse environmental impact.

6. The project is anticipated to generate approximately 68 tons of solid waste per month. All solid waste generated by the project shall be collected and compacted on site, and shall be removed from the site through arrangements with private carters and disposed of at the Charles Point Resources Recovery Facility in Peekskill. Similarly, all recyclables shall be similarly disposed of. No adverse impacts are anticipated.
7. The project can be accommodated by the Village's existing infrastructural network. The project is anticipated to result in a daily water demand of approximately 4,500 gallons. This water will be supplied via a new 2" tap into the existing municipal domestic water service line located in South Regent Street. The water service will be designated to provide both fire and domestic water service to the building.

Sanitary sewage generation from the project is estimated to be approximately 4,500 gallons per day. This sewage effluent will be transmitted to the existing lift station located at the front of the site, where it will be connected into the existing municipal sanitary sewer line located in South Regent Street and ultimately conveyed to the Port Chester Sewage Treatment Plant located on Fox Island Road. This plant is owned and operated by the Westchester County Department of Environmental Facilities. The plant has been designed to accommodate a permitted flow of 6 MGD, and currently supports an actual flow of 4.9 MGD. Westchester County officials have indicated that sufficient capacity exists to accommodate the project.

All connections to the existing sanitary sewer system will be designed and constructed in accordance with the requirements of the "Recommended Standards for Wastewater Facilities, Chapter 30, Design of Sewer, 1997 Edition". Additionally, all sanitary sewer construction will conform to the Standards and Specifications of the Westchester County Department of Environmental Facilities and Department of Health.

8. The project is not located within a 100 year floodplain as designated by FEMA. No floodplain impacts will result from the project as proposed.
9. No wetlands are located in the vicinity of the site. The proposed action will not result in any negative impacts on wetland resources.
10. The proposed action will not result in the removal of any significant existing trees. The site is currently essentially fully developed. No trees of any significant size are located on the grassy slope that will be impacted to allow for the expansion of the parking lot. No adverse impacts are anticipated.
11. There will be no impact on a significant habitat area as a result of this project. No threatened or endangered species of animals or the habitat of such species have been identified on the site according to the NYS Natural Heritage Inventory.
12. It is projected that the proposed Restaurant Depot facility will conservatively generate approximately 124 AM peak hour and 92 PM peak hour vehicle trips. These figures include approximately 10% large truck trips. The Village's traffic consultant has confirmed that this volume of traffic is similar to the volume that would be expected from a typical warehouse operation. The Planning Commission finds that this volume of traffic will not result in significant adverse impacts, however, certain improvements shall can be undertaken, at the sole expense of the applicant, to improve the operating conditions on the surrounding roadway network, including:
 - The improvement of sight distances from the site driveway along South Regent Street by the relocation of the existing fence with a new fence a minimum of 10' back from its current location, the relocation of the existing pump house and the removal of any overhanging vegetation. A minimum of 225' of sight distance to the left and right of each driveway shall be provided.
 - The posting of "truck driveway ahead" signage on both sides of the truck driveway curb cut on South Regent Street as governed by the standards established in the Federal Manual of Uniform Traffic Control Devices.
 - The widening of the truck driveway curb cut, as documented on the Site Plan (drawing A-2), to accommodate the turning radii of trucks traveling to and from the site.
 - An agreement to monitor the functional viability of the truck driveway for a period of 6 months, and if, in the opinion of the Village staff, consultants, or Planning Commission, the driveway is found to not operate safely and adequately, to remove the curbed island and replace it with a painted and striped roadway island instead, or a right turn lane.
 - The re-striping of the South Regent Street/US Route 1 intersection as depicted on drawing CP-2, subject to approval by the NYSDOT.

- The adjustment of the signal timing of the traffic light at the South Regent Street/US Route 1 intersection, to improve and optimize traffic movement operating conditions, and to restore the right-turn overlap phase at the Pearl Street/US Route 1 intersection subject to the review and approval of the NYSDOT.
- All truck deliveries shall be scheduled by Restaurant Depot, and shall not exceed 8 scheduled deliveries per hour. Additionally, all truck deliveries shall be directed to approach the site from I-287/I-95.

With these improvements in place, the Village's traffic consultant and the Planning Commission have concluded that traffic generated by the project will not result in traffic impacts in excess of any other industrial operation that might occupy the existing facility, and that the surrounding roadway network will continue to operate at satisfactory Levels of Service. No significant adverse traffic impacts are anticipated.

13. The facility will provide 185 off-street parking spaces (45 under a new canopy), including 6 handicapped spaces, in a new parking lot, accessed and separated by curbing and a sidewalk from the truck loading and maneuvering area. These parking spaces meet the off-street parking requirement for the facility. No significant adverse environmental impacts are expected to occur regarding parking.
14. The proposed action does not create a material conflict with the community's current development plans or goals. The proposed Restaurant Depot facility is a permitted use in the M-1 Light Industrial District.
15. Restaurant Depot has submitted various materials to the Planning Commission detailing that Restaurant Depot is a broadline distributor wholesaling a wide range of products, but primarily food and perishable products. "Edible" sales will account for over 78% of total sales. Paper and equipment will constitute 14% of total sales. Restaurant Depot will operate as a cash and carry facility, and no provision will be made for deliveries or customer credit. Restaurant Depot will sell to a relatively specific customer base, including independent restaurants, caterers, and not-for-profit organizations. Restaurant Depot proposes to invest approximately \$20 million to open this facility, and to compete in the \$41 million food service market that presently exists in the Village. Restaurant Depot, through its Mount Vernon location, already sells to over 150 restaurants, delis, and not-for profit organizations in the Port Chester market, at a value of approximately \$5.3 million/year. The Planning Commission has considered existing patterns of population concentration, distribution or growth and existing community or neighborhood character as part of determining whether this project may have a significant effect on the environment. The Planning Commission finds that the project is not likely to have significant effect on the environment. For example, the project does not involve the displacement of any residential or even commercial population or businesses because the existing site is vacant and underutilized. Nor will the project adversely impact the physical character of the neighborhood. On the contrary, the project will positively impact the physical

character of environment in that it will lead to the rehabilitation and adaptive reuse of a vacant warehouse. Finally, Restaurant Depot provided materials showing that its anticipated sales do not significantly overlap with other local businesses, and allegations to the contrary by a subgroup of business entities are conclusory and remote. In sum, the Restaurant Depot facility will not result in any significant adverse effects to existing patterns of population concentration, distribution or growth and existing community or neighborhood character.

16. As noted above, the project will have a positive long-term impact on the character of the neighborhood. At present, the site is dominated by a vacant and deteriorating warehouse/distribution terminal. The renovation and reuse of the building, the physical improvements to the site, including new site landscaping and the improvement in the site's South Regent Street frontage, will significantly improve the aesthetic appearance of the property. As a result, no significant adverse impacts are anticipated.
17. The demolition of the front part of the existing building, and the associated imposing "wall" that presently exists along South Regent Street, allows for the renovation of the remainder of the building to provide a new building façade, with distinctive architectural elements that will significantly improve the aesthetic appearance of the site. As such, the project will not result in any significant adverse aesthetic impacts.
18. The project will involve an investment of approximately \$20 million and will result in the creation of 50 new permanent jobs. In addition, the Project will create construction jobs, and secondary economic benefits that will benefit the local economy as a whole. The Project will also generate sales taxes, of which the Village will receive a portion. The Project is seeking assistance from the Village of Port Chester Industrial Development Agency (the "IDA"). Through the IDA, current real estate property taxes will be guaranteed, and the assessed value of the new improvements will receive reduced assessments for a limited period of 10 years. This represents a significant benefit to the Village, as the property is currently vacant, and 10 years of outstanding tax certiorari proceedings are pending. It can therefore be concluded that the Project will not result in any adverse fiscal impacts.
19. The proposed action will not affect any building, site, or place of historic or archaeological value. The existing building is not architecturally significant and is generally utilitarian in nature. The building is not listed on the State or national registers of historic places. It can be concluded that the proposed action will not result in any adverse impacts to historic or archaeologically important resources.
20. The proposed action will result in a change in the way energy is currently used on the site. Today the existing building on the site is served by a utility infrastructure that is outdated and inefficient, as are the construction materials used in the building (single pane windows, poor insulation, etc). The newly renovated building will eliminate 65,533 square feet of the existing building, which will reduce the site's overall energy consumption dramatically. Additionally, the newly renovated building will be required to conform to all New York State

Building Code requirements, including stringent energy-compliance standards. The renovated building will therefore be much more energy efficient than the existing building. It can therefore be concluded that the new facility will result in an appreciable reduction in the amount of energy previously consumed at the site. It is not anticipated that the project will overburden existing utility resources, and no adverse impacts are anticipated.

21. The proposed project does not present any opportunity to adversely affect public safety nor would it create a hazard to human health.
22. The new Restaurant Depot facility will be designed to meet or exceed all applicable building and fire safety code requirements. The building will be supported by fire protection and smoke and fire alarm systems and site security systems. No adverse emergency service impacts are anticipated.
23. The action will not result in changes in two or more elements of the environment, which alone would not have significant effect on the environment, but when considered together, would result in a substantial adverse impact on the environment.
24. The proposed action is not related to another action which would be funded or approved by an agency which, when considered cumulatively, would meet one or any of the aforementioned criteria.

After summarizing the Planning Commission's reasons for their negative SEQR determination, Mr. Douglas asked if any of the Board members had any questions. Mr. Hiensch asked about the referral to Village Engineer in the Planning Commission statement and Mr. Douglas clarified that Dolph Rotfeld is the Village's Consulting Engineer.

Chairman Pagano asked if the Planning Commission's negative declaration would be incorporated into the PCIDA record and added to the website and Mr. Douglas confirmed that it would. Chairman Pagano also wanted to make sure that the PCIDA's letter to the Planning Commission dated September 16, 2010 would be incorporated into the record. (See Attachment A).

Chairman Pagano summarized the following aloud:

CHRONOLOGY OF JERO ACTIVITY:

May 7, 2010 – Jetro Cash & Carry Enterprises LLC, for itself and/or in behalf of an entity to be formed, submitted a fully executed application to the PCIDA for consideration of a project consisting of (1) the acquisition by the Agency of a leasehold interest in approximately 6.2 acres of land located at 305 S. Regent Street and the existing improvements located thereon, including an approximately 136,500 sf of office and warehouse building space and related improvements located upon the land (2) the acquisition, demolition, rehabilitation construction and equipping by the Company as agent of the agency approximately 75,000sf of reconfigured and 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 (3) the acquisition of and installation in and around the existing improvements of certain machinery, fixtures, equipment and other items of tangible personal property.

The PCIDA is contemplating providing financial assistance to the Company with respect to the Project in the form of:

1. An exemption from all state and local sales and use taxes with respect to the qualifying personal property included
2. The grant of one or more mortgages liens on the Agency's interest in the facility 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).

May 10, 2010 – The PCIDA passed a resolution (No 05/2010-1)

1. Accepting the application of Jetro Cash & Carry Enterprises, LLC with respect to a certain project proposed to be undertaken by the Company, and:
2. Authorizing a public hearing with respect to the project, and
3. Describing the forms of financial assistance being contemplated by the Agency

By affirmative vote of 5 of the 6 members of the PCIDA (1 being absent), the motion to accept the application was carried.

Simultaneously with the application to the PCIDA, Jetro also rendered its site plan application to the Planning Board of the Village of Port Chester, NY where hearings and work in connection with the SEQRA process got underway. Subsequent hearings that included traffic studies, testimony from the public and consultants were being conducted beginning May 2010 thru October 2010.

June 2, 2010 – Under cover letter dated June 2, 2010, certified letters were sent on 6/8/10 to the Chief Executive Officers of each Affected Tax Jurisdiction (Westchester County, Village of Port Chester, Port Chester School District, Town of Rye, NY) notifying each jurisdiction that a public hearing is scheduled for July 12, 2010 for the purpose of reviewing the project application and to present their views both orally and in writing. The necessary notices were also timely published in the Journal News. The agenda to the Public Hearing was also posted on the Agency's website.

July 12, 2010 – The PCIDA Public Hearing was conducted at which time the project was described and comments taken. Jetro representatives again submitted a presentation and thereafter the floor was open to Public Comments. Minutes of the meeting were posted on the Agency's website. No further action was to be taken pending the results of the application presently in front of the Port Chester Planning Board.

Simultaneously with the application to the PCIDA, Jetro also rendered its site plan application to the Planning Board of the Village of Port Chester, NU. Subsequent

hearings that included traffic studies, testimony from the Public and consultants were conducted.

On 9/18/10 The PCIDA members conducted site visits to the subject property at 305 S. Regent Street as well as the Restaurant Depot facility 650 S. Columbus Avenue, Mt. Vernon, NY 10550-4733

During the period July thru October 2010 the PCIDA undertook Cost Benefit studies and analyses in connection with the project and; on 9/16/2010 sent a letter to the Port Chester Planning Commission informing it of the results of our findings to that date (Attachment A)

On 10/25/2010 The Village of Port Chester Planning Board issued a negative declaration on the application.

On a motion of Vice-Chairman Kenner, seconded by Member Semprevivo, the Project Authorizing Resolution was introduced.

Chairman Pagano asked Ms. Sciarabba to read aloud Section 1 of the resolution to the public:

Based upon a review of the Application submitted to the Agency by the Company, along with the EAF and related materials, the Agency hereby: (i) consents to and affirms the status of the Planning Commission as "Lead Agency," within the meaning of and for all purposes of complying with SEQRA; (ii) determines that the proceedings undertaken by the Planning Commission under SEQRA with respect to the undertaking of the Project by the Company (as agent of the Agency) satisfy the requirements of SEQRA; (iii) affirms that the Project involves an "Unlisted Action" as that term is defined under SEQRA; (iv) reviews, considers, ratifies, and adopts such proceedings by the Planning Commission, including the "Negative Declaration;" (v) determines that (A) the Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment; (B) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQRA; and (C) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action; and (vi) determines that all of the provisions of SEQRA that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a Negative Declaration for purposes of SEQRA. No further SEQRA review is necessary.

Member Hiensch raised a question to the language in Section 3 of the resolution which referred to "changes." The language referred to the Chairman, Vice-Chairman and/or Administrative Director being authorized to execute "changes" to the Lease Agreement, Leaseback Agreement on behalf of the Agency. Mr. Hiensch thought there should be clarification as to what kind of changes could be executed. There was also similar language in Section 4 of the resolution.

Chairman Pagano called on Mr. Miller, IDA counsel, who was available by telephone to ask for clarification. Mr. Miller explained that the “changes” referred to were really for administrative issues and the word “substantive” could be added for clarification.

On a motion of Vice-Chairman Kenner, seconded by Member Cuddy, the following amended resolution was placed before the members of the Village of Port Chester Industrial Development Agency:

Resolution No. 2010 – 10/2

RESOLUTION OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY (i) APPOINTING JMDH REAL ESTATE OF PORT CHESTER, LLC (THE “COMPANY”) AS ITS AGENT TO UNDERTAKE THE PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (1) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE PROJECT (2) AN EXEMPTION FROM THE MORTGAGE RECORDING TAX AND (3) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED UNDER THE PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (iv) AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS; AND (v) RATIFYING SEQRA FINDINGS OF THE VILLAGE OF PORT CHESTER PLANNING COMMISSION WITH RESPECT TO THE PROJECT.

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, previously submitted an application (the “Application”) to the Agency on behalf of **JMDH REAL ESTATE OF PORT CHESTER, LLC** (the “Company”) 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 (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, pursuant to a resolution adopted by the Agency on May 10, 2010 (the "Initial Resolution") the Agency accepted the Application of the Company and (i) described the forms of Financial Assistance (as defined in the Initial Resolution) being contemplated by the Agency, (ii) directed that a public hearing be held with respect to the Project in compliance with the Act, and (iii) authorized the negotiation of an agent agreement (the "Agent Agreement"), a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement"), and a payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company; and

WHEREAS, on October 25, 2010, the Village of Port Chester Planning Commission (the "Planning Commission") adopted a negative declaration (the "Negative Declaration") 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") with respect to the Project and in furtherance of the Company's application for Site Plan approval, a copy of which, along with the Full Environmental Assessment Form ("EAF") and related materials, are attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 859-a of the Act, on July 12, 2010, at 6:30 p.m., local time, in the Senior Center located within Village Hall, 222 Grace Church Street, Port Chester, New York 10573, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. (A copy of the minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions thirty (30) days prior to said Public Hearing are attached hereto as Exhibit B); and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been negotiated and the Agency desires to authorize the undertaking of the Project.

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

Section 1. Based upon a review of the Application submitted to the Agency by the Company, along with the EAF and related materials, the Agency hereby: (i) consents to and affirms the status of the Planning Commission as "Lead Agency," within the meaning of and for all purposes of complying with SEQRA; (ii) determines that the proceedings undertaken by the Planning Commission under SEQRA with respect to the undertaking of the Project by the Company (as agent of the Agency) satisfy the requirements of SEQRA; (iii) affirms that the Project involves an "Unlisted Action" as that term is defined under SEQRA; (iv) reviews, considers, ratifies, and adopts such proceedings by the Planning Commission, including the "Negative Declaration;" (v) determines that (A) the Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment; (B) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQRA; and (C) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action; and (vi) determines that all of the provisions of SEQRA that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a Negative Declaration for purposes of SEQRA. No further SEQRA review is necessary.

Section 2. Subject to the Company executing the Leaseback Agreement, and the delivery to the Agency of a binder, certificate or other evidence of a liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency, pursuant to the provisions of the Agent Agreement: (i) to reconstruct, renovate, refurbish and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Company's Agent Status and related Sales Tax Exemption Letter shall expire on **September 30, 2011** (unless extended for good cause by the Administrative Director or other authorized representative of the Agency).

Section 3. The Chairman, Vice Chairman and/or Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement, and related documents substantially in the forms thereof presented to this meeting with such non-substantive changes (including without limitation any change in the dated date of such documents), variations, omissions and insertions as the Chairman, Vice Chairman and/or Administrative Director shall approve. The execution of the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents by the Chairman, Vice Chairman and/or Administrative Director of the Agency shall constitute conclusive evidence of such approval.

Section 4. The Chairman, Vice Chairman and/or the Administrative Director of the Agency are hereby further authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project and/or finance or re-finance acquisition and Project costs, equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents, collectively, the "Agency Documents") and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such non-substantive changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Administrative Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman or the Administrative Director of the Agency to constitute conclusive evidence of such approval; provided, in all events, recourse against the Agency is limited to the Agency's interest in the Project.

Section 5. The 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. Due to the complex nature of this transaction, the Agency hereby authorizes its Chairman (or Vice Chairman) or Administrative Director to approve, execute and deliver such further agreements, documents and certificates as the Agency may be advised by counsel to the Agency or Transaction Counsel to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chairman (or Vice Chairman) or Administrative Director of the Agency.

Section 7. These Resolutions shall take effect immediately.

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

| | YEA | NAY | ABSTAIN | ABSENT |
|----------------------|-------|-----|---------|--------|
| Neil Pagano | [X] | [] | [] | [] |
| Hon. Dennis Pilla | [X] | [] | [] | [] |
| Hon. Joseph Kenner | [X] | [] | [] | [] |
| James Taylor | [X] | [] | [] | [] |
| John Hiensch | [X] | [] | [] | [] |
| Philip C. Semprevivo | [X] | [] | [] | [] |
| Richard Cuddy | [X] | [] | [] | [] |

The Resolution was thereupon duly adopted.

Member Pilla welcomed Mr. Fleishman to the Village of Port Chester.

INSURANCE:

Vice-Chairman Kenner discussed the Insurance proposal which was disseminated to the Board for review. It was recommended by Brian Miles, agent of the Spain Agency, not to include Workers' Compensation and Disability coverage since the PCIDA has no employees. The total cost of insurance which is a package policy that includes D&O insurance, was \$4,200, which is under budget. Chairman Pagano asked if the Board had any objections to accepting the proposal, there was not. The proposal was unanimously accepted by all members.

There being no further business before the Board, on motion of Vice- Chairman Kenner, seconded by Member Pilla, the meeting was adjourned at 7:37 pm.

Respectfully submitted,

Elisa Sciarabba

Elisa Sciarabba
Secretary



**Village of Port Chester
Industrial Development Agency**
222 Grace Church Street, Port Chester, New York 10573

Neil Pagano, Chairman

(914) 305-2563
Fax: (914) 937-3169

September 16, 2010

Michael Antaki, Chairman, and
Members of the Port Chester Planning Commission
Village of Port Chester
222 Grace Church Street
Port Chester, New York 10573

**RE: Proposed Restaurant Depot Project; 305 South Regent Street
Jetro Cash & Carry Enterprises, LLC
Village of Port Chester Industrial Development Agency**

Dear Chairman Antaki and Commissioners:

Please accept this letter on behalf of the Village of Port Chester Industrial Development Agency (the "Agency") in connection with the proposed Restaurant Depot Project to be located at 305 South Regent Street (collectively, the "Project"), which we understand is being presented to the Village of Port Chester Planning Commission (the "Commission") by Jetro Cash & Carry Enterprises, LLC (the "Applicant") for Site Plan Review and Approval. We further understand and acknowledge that the Commission has assumed lead agency status in connection with review of the Project pursuant to and in accordance with the State Environmental Quality Review Act ("SEQRA", codified at Article 8 of the Environmental Conservation Law and the Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York).

As you are aware, the Applicant has also presented an Application for Financial Assistance (the "Application") to the Agency in connection with the Project. To date, the Agency has accepted the Application and conducted the requisite public hearing (July 12, 2010) pursuant to and in accordance with Article 18-A of the General Municipal Law ("GML"). However, to date no official action has been taken by the Agency with respect to the Project pending the Commission's completion of Site Plan review and adoption of findings pursuant to SEQRA in the Commission's capacity as lead agency.

During the pendency of the Commission's consideration of the Project, the Agency feels that it would be relevant and helpful to share with the Commission the Agency's record and undertakings thus far. To this end, we welcome and encourage the Commission's review of the Application, resolutions and public hearing minutes, which are available at http://www.portchesterny.com/Pages/PortChesterNY_BComm/IDA/index.

In addition, the Agency would like to share with the Commission additional detail regarding the cost-benefit analysis conducted by the Agency in connection with assessing the Application and

undertaking the Agency's public hearing in accordance with GML Article 18-A. Specifically, and in furtherance of the Agency's mission to foster economic development within and for the Village of Port Chester (the "Village"), the Agency has considered a variety of economic factors associated with the Project, including a comparison of the capital investment and job creation projected by the Applicant versus the projected financial assistance contemplated by the Agency. As outlined in greater detail below and in the Agency's public hearing minutes (July 12, 2010) the Agency's cost benefit analysis indicates that the Project will support the Agency's mission in expanding economic development, job opportunities and growth within the Village and at the same time serve to stabilize both the viability and ratable assessment of a long-dormant Village property. Our investigation also revealed that the Applicant has a proven track record in establishing long-term and viable business facilities.

The Application indicates that the Applicant will invest \$19,000,000 in the Project and create an estimated 50 new jobs created in the first full year of operation. These projections alone present a rare and significant opportunity for the Village. In addition, the Agency's review of the Project and Application further indicate that while there is no question but that significant sales tax revenues will be generated by the Project, it is clear that the Village will not be the recipient of 100% of those dollars. As you know, that's simply because of the nature of the tax structure in NY State. Nevertheless our conclusion in this regard is that no matter what the Village's share would be, it will in any event provide year-over-year revenue to the Village which it is not now enjoying.

Another significant positive attribute of the Applicant seeking financial assistance from the Agency will be the Agency's adherence to its Uniform Tax Exemption Policy, as adopted July 12, 2010 ("UTEP", a copy of which is also available on our website). The UTEP dictates that projects receiving IDA assistance will have their current assessment effectively frozen, so as to ensure no loss of revenue to the Village, school district, town and county. In fact, the "abatement" to be provided by the Agency under any PILOT Agreement applies only to the net increase in assessed valuation of real property attributable to improvements or expansion/new construction undertaken by the Agency applicant. In this instance, and as you may also be aware, the proposed Project will be situated on a property that has been long-dormant, with nearly 10 years of outstanding tax certiorari proceedings that have continued to drive down ratable assessments. Further, the Applicant's contemplated reconfiguration of the site and existing improvements to a 75,000 sf facility (a building size reduction of 45%) could result in a downward assessment without the benefit of a PILOT Agreement freezing 2010 assessment figures, which reflects the current 136,500 sf in improved space. The proposed PILOT Agreement that will be considered by the Agency would serve to freeze the existing assessed valuation and abate only the improved value for a limited period of 10 years. In this context, the Agency PILOT Agreement will actually benefit the Village and its taxpayers by requiring the Applicant to make payments in lieu of taxes at current levels, thereby eliminating the downward spiral of ratables attributable to the facility as it currently exists.

In addition to the proposed PILOT Agreement, the Applicant has requested the Agency's provision of sales and use tax exemptions and mortgage recording tax exemptions relating to the acquisition and construction costs of the Project. In accordance with GML Article 18-A, the Agency has estimated the value of these exemptions and balanced same against the Applicant's investment in the Project, creation of related jobs and generation of sales tax revenues. This

cost-benefit analysis demonstrates that the Project would foster positive, net wealth generating impacts beneficial to the Village and its residents.

In sum, although additional consideration is necessary, based upon the Application presented to the Agency, and within the limitations and scope of our present analysis, it would appear that the Project would have a net positive economic impact for the benefit of the Village and its residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Pagano", written in a cursive style.

Neil Pagano, Chairman

Cc: Stanley Fleishman, Jetro Cash & Carry Enterprises, LLC, Pat Cleary, Anthony Cerreto