

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

**HELD:** June 8, 2011

**TIME AND PLACE:** 6:00 P.M., Village Hall, Conference Room, 222 Grace Church Street, Port Chester, New York

**ROLL CALL:** In attendance were Vice-Chairman Joseph Kenner and members James Taylor, Richard Cuddy, Dennis Pilla and John Hiensch

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

Absent was Chairman Pagano and Member Philip Semprevivo.

Vice- Chairman Kenner called the meeting to order at 6:15 pm immediately following the Kingsport Housing Development Refinancing Public Hearing.

**CHAIRMAN'S REMARKS:**

Although not present at the meeting, Chairman Pagano prepared a statement acknowledging the accomplishments of the past year.

Annual Report Chairman's Remarks  
Annual Meeting 6/8/11

This Annual Remarks submission is authored by Chairman Neil Pagano but is being presented in his behalf by Vice-Chairman Joe Kenner at the Annual Meeting of the PCIDA held on 6/8/11 in the absence of Chairman Neil Pagano.

During the 2010/2011 FY of the PCIDA, it held 11 regular meetings, went into executive session 6 times, held 3 public hearings and two workshops; it toured two projects that were being considered for PILOTS and responded to 3 FOIL requests.

Much has been accomplished through the slow, tedious and often confusion task of searching for, compiling and reconstructing accurate documentation of the historical records of the PCIDA. The value of this expensive effort – both in time and manpower – has been that it has made us all keenly aware of the errors of the past and as such, has provided a learning experience and installed guideposts of strict processes that must be adhered to so as to learn from our own history and resolve that those errors never again repeat themselves.

As time has progressed during my tenure as Chairman, it has become increasingly obvious to me for the need of transparency in all that the Board does and how the public perceives us. Perception – by the public – of how we operate and with whom we interact must always be in our thoughts and actions. No single board member should ever feel that his/her voice will fall on deaf ears. No single board member should ever have a concern that a deal has been struck behind closed doors. No single board member should

ever feel intimidated about a position with or against the majority. Debate, when there is a need for it, makes us stronger, not weaker.

Finally – At a recent public meeting of the BOT during a discussion concerning the Comprehensive Master Plan for the Village of Port Chester, I stated that not unlike any other community in the State our Village is at the mercy of its paid professional consultant who can literally take it down the paths of either success or failure. As that thought relates to the PCIDA, it is crystal clear to me that without a questioning and curious board working in partnership with a competent and skillful counsel, this or any other IDA Board for that matter – can be likened to a herd of sheep being taken to slaughter when dealing or negotiating with various applicants. The issues we confront and the powerful economic tools that are in our arsenal which we are empowered to bring to the table are simply too complex and technical for the average layperson to fully grasp. To be truly effective, we as a Board must continue to take our responsibility as IDA Board Members seriously and become even more educated in the way we do business through our own internal efforts and by reaching out to the professionals we’ve learned to trust and who have demonstrated a level of sophistication that places us on an even superior footing with an applicant. In that regard, the firm of Harris Beach in general and, Justin Miller in particular have proved to be an invaluable addition to the way we operate. A level of trust and confidence has been developed between them and the PCIDA that could only come about as a result of frequent Board interaction and the establishment of a proven track record while under fire. Together they have literally begun removing the naiveté from our thinking and have helped us to begin to grow into an effective economic force, which if managed properly, can truly help our community – not only in the short term but especially in the long term.

My special thanks to our paid staff – Dwight Douglas, Leonie Douglas and Elisa Sciarabba who have accompanied us on our re-positioning efforts and endured and overcame many of the difficulties inherent in that task.

It has been my privilege and an honor to serve as your Chairman for these past two years. I really do believe that this Board is beginning to make a genuine and positive difference for our Community. Challenges and opportunities await us. Let’s seek them out.

### **SUMMARY OF PCIDA ACTIVITIES – 2010/2011**

<b>6/28/10</b>	<b>Annual Meeting</b>
1	Hired Elisa Sciarabba as secretary who ultimately has proved to be a tremendous asset to the day-to-day administration of the IDA
2	Adopted a new budget for the FY 6/1/10-5/31/11
3	Cash Balance at 6/28/10 was \$196,327. At 6/1/11, the cash balance had increased by 33% to \$261,313
4	Set a standard meeting date of the 2 <sup>nd</sup> Wed of the month at 6:30 in the Vill Hall Conf Room
5	Set a policy that emails between members and staff and/or members and counsel are to be copied to all other PCIDA members simultaneously so that all Members were kept informed at all times
6	Set the Westmore News and the Journal news as the official papers of the

	PCIDA
<b>7/12/10</b>	<b>Public Hearings (2) &amp; Business Meeting</b>
	1) Established the Uniform Tax Exemption Policy
	2) Jetro Cash & Carry Enterprises LLC
	Signature Authority 3 – 2 plus an alternate (Leonie, Dwight & Neil)
<b>8/11/10</b>	<b>Regular Meeting</b>
	Received some sub=tenant easements from Mark Tulis
	Board joined the NYS Economic Dev Council
	Appointed Elisa as FOIL Officer; Dwight appointed as FOIL Appeal Officer
	Hired new audit firm – Drescher & Malecki
<b>8/14/10</b>	<b>Work Session – Cost Benefit Analysis</b>
	New Board member Cuddy joined the PCIDA
<b>9/8/10</b>	<b>Regular Meeting</b>
	Missed the deadline for getting the PARIS report turned in (due 9/1/11) because of missing G&S and other related information
	Received full PILOT payment from G&S in the amount of \$1,776,855.60 – on time
	Authorized Covenants and Restrictions in connection with the Brownfield Site – G&S Port Chester Unit 2A
	Authorized a mortgage modification and extension agreement for the G&S leases 2B and 2C in the amount of \$1,967,000
<b>10/6/10</b>	<b>Work Session</b>
	Jetro/Restaurant Depot
	Introduction of a draft for construction of a standardized Application Matrix
<b>10/13/10</b>	<b>Regular Meeting</b>
	PCIDA received its on FEIN which previously was using the Village of PC's FEIN
	Received application from Kingsport for \$22 million project
<b>10/26/10</b>	<b>Regular Meeting</b>
	Authorized execution of the Jetro/Restaurant Depot Project. Jetro closed in October and paid the PCIDA a fee of \$142,500 With this deal finally set, both parties came out winners in the transaction: First: a new and financially sound business was able to proceed with acquiring a property that had been vacant for a number of years and would ultimately provide at least 50 permanent jobs in the community; Second: the business owner enjoyed the benefits of a mortgage recording tax and sales use tax exemptions that it would otherwise be burdened with during construction; Third: it positioned the Jetro/Restaurant Depot in a more centralized location within its market area and provided it the opportunity to open up new ones; Fourth: 10 years of pending potentially damaging certiorari proceedings filed by the former owner of the property literally “went away” and; Fifth: the updated PCIDA UTEP and PILOT were activated and set in place which virtually guaranteed that a freeze on the existing level of assessed valuation/tax payments would remain as the basic level of

	property tax income to the taxing jurisdictions regardless of any modification to the project property.
<b>11/10/10</b>	<b>Regular Meeting</b>
	Discovered that the Unit Lease 4C (“Gateway Lease) had previously been transferred in 2005 by a previous PCIDA Board. Further reported that the property had been on the tax rolls as of that time
<b>12/8/10</b>	<b>Regular Meeting, Executive Session &amp; Public Hearing</b>
	Voted to accept the Kingsport project – housing revenue bonds in an amount n/t/e \$12.5 million
	Authorized the Termination & Transfer of Unit Lease 4B subject to BOT approval
	Authorized the modification of a portion of Unit Lease III to effectuate a portion of Townsend Street to be dedicated to the Village of PC subject to the BOT approval
	Introduction of the concept of and commencement of work towards the preparation of a “Global Agreement” with G & S that would once and for all finally include but not necessarily be limited to an agreement of Origin and Termination dates of the Unit Leases, PILOTS and square footage of tenants spaces
	Monitoring reports were sent out to G & S and other PILOT beneficiaries for the first time ever
	Began the dialogue of seeking ways that the PCIDA could become more pro-active in assisting downtown development and businesses (ie; local development corporations, BIDs, etc) thereby expanding its role in the community as a true economic development tool
<b>1/27/11</b>	<b>Regular Meeting &amp; Executive Session</b>
	The annual PCIDA audit completed by the audit firm of Drescher & Malecki was posted to PCIDA web site. No significant issues.
	Completed confidential Board evaluations for the first time
	Approved the PCIDA Mission statements and published it on our website with the understanding that further tweaking and refinement will be ongoing.
	2 PCIDA Board members and the Admin Director attend the NYSEDC Conference in Albany for the first time
<b>2/9/11</b>	<b>Regular Meeting Public Hearing &amp; Executive Session</b>
	Kingsport public hearing & cost benefit discussion and analysis was held
	Demand letter (2 <sup>nd</sup> notice) sent out to G&S for Monitoring reports
<b>3/9/11</b>	<b>Regular Meeting</b>
	Discovered an entity known as the Port Chester Development Corporation established on 2/13/81 which has an account open with the Village showing a balance of \$68,000 in it. More research needed.
	Adopted the 2011-2012 Budget that will go into effect on 6/1/11
	Induced the Kingsport project
<b>4/13/11</b>	<b>Regular Meeting &amp; Executive Session</b>
	Renewed auditors Drescher & Malecki for another year
	PARIS Report filed 3/23/11 – 7 months overdue due to lack of sufficient and accurate information from the PCIDA PILOT recipients
<b>May 2011</b>	<b>No Meeting</b>

	During the month of May, the first Monitoring Reports were received from G&S and a number of its subtenants for the first time ever.
<b>June 2011</b>	<b>Cash Balance as of 6/1/11 - \$261,313.93 Increase of 33% YTD</b>

<b>GOALS AND OBJECTIVES FOR 2011-2012</b>	
1)	PARIS Report will be sent out on time, complete and accurate.
2)	Complete the final draft of the Global Agreement and transmit same to G&S for input by no later than the end of June 2011
3)	Execute the final Global Agreement by the end of 3 <sup>rd</sup> quarter 2011.
4)	Complete the standardized applicant evaluation to establish a level of consistency for all applicants.
5)	Explore ways of expanding the traditional role of PCIDA to include an aggressive posture towards Economic Development as a break from its traditional role of simply waiting for projects to come before us.
6)	Through the use of Board constructed internal measuring criteria, identify and establish a process in connection with languishing development projects behind which the PCIDA should/could add its weight as an economic development tool and seek ways, with Board concurrence, to help advance those projects, ie; the “Showboat” and the Starwood project.
7)	Stage at least 1 work session per year on an aspect of the IDA operations (ie; Bonds, LDC, Cost Benefit Analyses for not-for-profit corps; legislative updates and discussions that affect NYS IDAs –PAAA
8)	Establish a policy that where practical, every effort is to be made of having the Administrative Director and at least one (1) PCIDA board member in attendance or 2 board members if the AD is not available at any “non-public” meeting including phone conference calls with either a prospective applicant who seeks or is seeking IDA assistance or’ members of the PC BOT and/or other Village Boards
9)	Encourage Board feedback, critical analyses and “after action” reports of project completions and overall PCIDA operations
10)	Identify, finalize and secure the location of the PCIDA offices in Village Hall
11)	Insure that all PCIDA project records are complete, catalogued, bound, centralized and maintained within <u>our own</u> offices and that the PCIDA remains the custodian of same hereafter
12)	Establish systems and identify personnel specifically responsibly for follow-up, monitoring and audit of all on-going PCIDA projects including fail-safe systems between the PCIDA and the Town of Rye Assessor’s Office.

**RECORD OF PCIDA MEETINGS DURING 2010-2011**

ITEM	Meetings	Exec Sessions	Public Hearings	Workshops	Tours of Projects	Mandatory Training	Foil Requests Re:
1	6/28/10	6/28/10		8/14/10	Toured the Jetro operations in Mt Vernon , NY & the proposed South Regent St site.	10/13/10	Costco Ownership detail & Jetro record
2	7/12/10	8/4/10	7/12/10 -(2)	10/16/10			
3	8/11/10	8/11/10					
4	9/8/10						
5	10/13/10						
6	10/26/10						
7	11/10/10				Toured Kingsport property in Port Chester		
8	12/8/10	12/8/10					
9	1/27/11	1/27/11					
10	2/9/11	2/9/11	2/9/11				
11	3/9/11						
	May 2011 NO MEETING						Bank Appraiser on various G&S/ PCIDA properties
<b>TOTALS</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>

Respectfully submitted,

NEIL J. PAGANO

Chairman

**ELECTION OF OFFICERS**

On a motion of Vice-Chairman Kenner, seconded by member Cuddy and approved unanimously, Neil Pagano was elected Chairman of the PCIDA.

On a motion of Member Pilla, seconded by Member Cuddy and approved unanimously, Joseph Kenner was elected Vice-Chairman of the PCIDA.

On a motion of Vice-Chairman Kenner, seconded by Member Pilla and approved unanimously, Leonie Douglas was elected CFO of the PCIDA.

On a motion of Vice-Chairman Kenner, seconded by Member Pilla and approved unanimously, Elisa Sciarabba was elected as Acting Secretary.

Member Kenner noted that Dwight Douglas is an at will employee. He discussed the Village's potential combination of a Planner and an Administrative Director of the PCIDA. Member Pilla explained that the Village solicited proposals for the combined position but were not happy with the result of the RFP. He noted that the Village is in the process of recruiting from the Westchester County Civil Service list for a Director of Planning and Development. Mr. Douglas further explained that his month to month cost is lower this year than last.

**ADMINISTRATIVE DIRECTOR REMARKS:**

Mr. Douglas explained that he reached out to Frank Butcanfusco about the Castle apartment project. It was originally supposed to be a condo project however now they are building apartments. They may be looking to the PCIDA for assistance. Two and Three bedroom units will now be one bedroom units. They need zoning variances and planning approval. The Building Department does not believe the approval would be before September 2011.

Mr. Douglas said he had a meeting with Dick Bologna about a property that was damaged by a fire. It would be an approximately \$1.2 million project. Mr. Douglas gave Mr. Bologna an application for PCIDA assistance. He is looking to build commercial and residential units and would need approval.

Mr. Douglas also met with a hotel development team. They have not yet acquired property in the Village but are interested in looking at the restaurant supply on Abendroth. Before they moved on it they wanted to discuss the project with the Mayor.

Mr. Douglas also spoke with Mr. Occhicone who is interested in changed his building on Pearl Street to a residential use. It is a 22,000sf building; however there is no parking in the area.

Mr. Douglas noted that Billy Frenz was present at the meeting to discuss his Showboat. He is looking for a permanent site. He still needs to negotiate the details with the Village but will be coming to the PCIDA for financial assistance.

Mr. Miller noted that because it is a boat, there would not be a mortgage or PILOT however a sales tax exemption may be something that could be negotiated.

Mr. Frenz explained that there would be approximately \$200,000 worth of work including ramping, the addition of bathrooms, and handicap access.

Mr. Douglas said the board would discuss this issue later in the meeting and hear from Mr. Frenz.

**APPROVAL OF MINUTES:**

The minutes of the April 13, 2011 meeting were reviewed and approved with one minor correction on a motion of Member Taylor, seconded by Member Pilla and approved by all present.

**APPROVAL OF INVOICES:**

An invoice for the month of March 2011 was presented from the Administrative Director in the amount of \$3,000.

An invoice for secretarial services for the June 8, 2011 meeting from Elisa Sciarabba in the amount of \$200 was presented.

An invoice from Leonie Douglas, CFO was presented for services for the months of April and May in the amount of \$833.36.

On a motion of Member Taylor, seconded by Member Pilla and approved by all present, all invoices were approved.

An invoice from Harris Beach in the amount of \$2,326.20 and \$14,866.51 was presented. Vice-Chairman Kenner asked if the bulk of the bill dealt with G&S and Member Cuddy asked what the status was of getting everything in order with G&S. Mr. Miller stated that the PCIDA got as far as they could with what was in Village Hall. At this point, the PCIDA will need to go to G&S to double check dates, square footage, and etcetera. He noted that it will be necessary to sit with G&S to amend the PILOT. Member Cuddy asked if the PCIDA was more than halfway through sorting out the documentation and Mr. Miller confirmed.

On a motion of Member Cuddy, seconded by Member Hiensch and approved by all present, the invoice from Harris Beach was approved.

An invoice from FedEx was presented in the amount of \$173.29. On a motion of Member Taylor, seconded by Member Pilla and approved by all present, the invoice was approved. Ms. Sciarabba was going to check if this was related to the Kingsport project.

## **FINANCIAL REPORT**

Ms. Douglas discussed the financial report presented below:

Port Chester IDA  
Revenue/Expense Budget Comparison Control Report  
As of May 31, 2011

	Actual 5/31/2010	Adopted	Amended	Actual 5/31/2011	Variance 5/31/2011	% 5/31/2011
<b>Revenue:</b>						
Initial Application Fee	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ (500.00)	0.00%
Initial Processing Fee	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00	\$ (2,500.00)	0.00%
Project Closing Fee		\$ -	\$ 30,000.00	\$ 142,500.00	\$ (112,500.00)	475.00%
Interest Earnings	\$ 288.51	\$ 250.00	\$ 250.00	\$ 695.27	\$ (445.27)	278.11%
Miscellaneous Revenues	\$ 21.00	\$ -	\$ -	\$ -	\$ -	0.00%
Appropriated Fund Balance		\$ 69,450.00	\$ 69,450.00	\$ -	\$ 69,450.00	0.00%
<b>Total</b>	<b>\$ 3,309.51</b>	<b>\$ 69,700.00</b>	<b>\$ 99,700.00</b>	<b>\$ 146,195.27</b>	<b>\$ (46,495.27)</b>	<b>146.64%</b>
<b>Expenditures</b>						
<b>A. Professional Services</b>						
Administrative Director	\$ 6,000.00	\$ 36,000.00	\$ 36,000.00	\$ 30,000.00	\$ 6,000.00	83.33%
Financial Officer	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 4,166.64	\$ 833.36	83.33%
Secretary	\$ 750.00	\$ 1,800.00	\$ 2,250.00	\$ 1,950.00	\$ 300.00	86.67%
Legal Services-Ocman-Tulis	\$ 2,283.00	\$ -	\$ -	\$ -	\$ -	0.00%
Legal Services- Harris Beach	\$ 11,476.13	\$ 15,000.00	\$ 20,000.00	\$ 18,831.58	\$ 1,168.42	94.16%
G & S Administrative/Legal-Harris Beach	\$ -	\$ -	\$ 25,000.00	\$ 11,000.00	\$ 14,000.00	0.00%
<b>B. Operating Expenses</b>						
Training	\$ -	\$ -	\$ 1,400.00	\$ 1,400.00	\$ -	0.00%
Travel Expense	\$ -	\$ -	\$ 778.68	\$ 778.68	\$ -	0.00%
Office Supplies	\$ -	\$ -	\$ 750.00	\$ 115.92	\$ 634.08	0.00%
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
NYS Assessment	\$ -	\$ 400.00	\$ 453.27	\$ -	\$ 453.27	0.00%
Auditor	\$ 2,200.00	\$ 5,000.00	\$ 3,846.73	\$ 3,750.00	\$ 96.73	97.49%
Insurance	\$ -	\$ 5,000.00	\$ 4,221.32	\$ 3,657.39	\$ 563.93	86.64%
Contingency	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	0.00%
<b>C. Appropriation to Fund Balance</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total</b>	<b>\$ 27,709.13</b>	<b>\$ 69,700.00</b>	<b>\$ 99,700.00</b>	<b>\$ 75,650.21</b>	<b>\$ 24,049.79</b>	<b>75.88%</b>
Change in Fund Balance	\$ (24,399.62)			\$ 70,545.06		
Beginning Fund Balance	\$ 215,241.71			\$ 190,842.09		
Ending Fund Balance	\$ 190,842.09			\$ 261,387.15		

Prepared 6/7/2011.

Ms. Douglas that some of the accounts should be modified to reflect the actual budget. On a motion Member Pilla seconded by Member Cuddy and approved by all present, the FY 2010-11 PCIDA Budget was amended as follows:

**Budget Transfers:**

**From:**

9.1220.406	Office Supplies	\$544.62
9.1220.493	Public Authority Assessment	\$453.27
9.1320.492	Auditors Fees	\$96.73
9.1410.400	Contractual – Secretarial Services	\$63.16
9.1410.400	Contractual – Secretarial Services	236.84
9.1910.400	Contractual – Insurance	563.93

**To:**

9.1420.400	Contractual – Legal	\$1,157.78
91420.472	G & S Administrative/Legal	\$800.77

**Budget Increase:**

9.9.4995	Appropriated Fund Balance	\$65.74
9.1420.472	G & S Administrative/Legal	\$65.74

### **PORT CHESTER COMMUNITY DEVELOPMENT CORPORATION:**

Mr. Miller explained that the PCCDC is a dormant corporation; however there are bonds still in question. He explained that the request could be made to HUD to determine where the leftover assets would go. If the Board went to HUD, they would probably make the determination that the assets should go to one of the projects, either Southport or Kingsport. It would probably take about five months to go to HUD and have them make a termination. Member Pilla asked why anything needed to be done. Mr. Miller explained that the auditors make a notation of the money being on the books every year. If the committee was dissolved the dissolution would need to be approved by a quorum of members of the PCCDC.

Mr. Douglas said he could try and reach out to the members and try to set up a meeting. Member Taylor noted that this is something that should be done through the Board of Trustees and not the PCIDA. Member Pilla asked Mr. Miller to speak with Village Attorney, Anthony Cerreto to discuss this. Mr. Miller said he would take a look at the bi-laws and speak with Mr. Cerreto and provide the Board an update by the next meeting.

### **SHOWBOAT DISCUSSION:**

Mr. Billy Frenz presented materials to the Board and explained that he had a meeting with Mr. Douglas, Village Manager Christopher Russo and Assistant Manager Christopher Steers and took them on a tour of the showboat.

Mr. Frenz explained that he had a vision of making the Showboat a downtown waterfront attraction that would fit in with the Village's Master Plan. It would be located in the marina, where all the necessary utilities to station the boat are there.

Vice-Chairman Kenner asked where Mr. Frenz was in the planning process and he explained that he is in the Site Plan Approval process.

Mr. Frenz noted that he spoke with Chairman Pagano about a possible Sales Tax exemption from the PCIDA. He further explained that the Coast Guard is ok with the project, it would be considered a moored vessel and subject to the Village of Port Chester inspections. Vice-Chairman Kenner asked Mr. Frenz to keep the PCIDA apprised of the status. Mr. Douglas asked Mr. Frenz to come back to the PCIDA once the Village approves the project.

### **PILOT MONITORING:**

Ms. Douglas explained that she did receive some reports from G&S. Mr. Miller noted that the next PARIS report round was coming up on August 31<sup>st</sup> and the PCIDA should work on sending the corrected information by that time. Mr. Douglas said he would update the Board on the PARIS status at the next meeting.

At 7:20 p.m on a motion of Member Pilla, seconded by Member Cuddy, and carried unanimously the Board entered into executive session to consult with Mr. Miller on G&S matters.

At 7:27 p.m the Board came out of executive session.

Ms. Douglas said she needed to confirm the pilot amounts and Mr. Miller said he would work with her to get it reconciled in the next few weeks so the bills could be mailed out. Ms. Douglas asked if the PCIDA should send out the bills. Mr. Miller said he needed to check the LADA agreement, under the standard practice of IDAs it is usually the IDAs that sounds out the bills.

Member Pilla asked the Board if he could have Justin come to the negotiations with Starwood to speak with them if he had the consensus of the Board. Member Taylor asked if first the PCIDA could get something in writing stating their intentions to go forward with a project or to submit an application. Member Pilla said he would reach out to them.

At 7:44 p.m, there being no further business before the Board, the meeting was adjourned on a motion of Member Pilla, seconded by Member Taylor.

Respectfully submitted,

*Elisa Sciarabba*

Elisa Sciarabba  
Secretary