

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

HELD: March 11, 2015

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

A regular meeting of the Village of Port Chester Industrial Development Agency was convened on Wednesday March 11, 2015 at 6:30 p.m. at 222 Grace Church Street, Port Chester, New York 10573.

Roll Call

The meeting was called to order by Chairman Frank Ferrara. On the motion of Board member Dennis Pilla, which was seconded by Vice Chairman Neil Pagano the meeting was called to order with the following Board members being present: Richard Cuddy, John Hiensch, Joseph Kenner, Neil Pagano, Dennis Pilla, and James Taylor.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>X</u>		
<u>PILLA</u>	<u>X</u>		<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		
<u>PAGANO</u>		<u>X</u>	<u>X</u>		

Also in attendance were, Board Counsel Representative Justin Miller, Treasurer Leonie Douglas, Planning Director Christopher Gomez, Village Attorney Anthony Cerreto and Acting Board Secretary Constance Phillips.

In addition, attorney Dan Tartaglia was present to represent G&S Development in a matter to be discussed later in the meeting.

Chairman Ferrara said there has been a lot of volatility in the agenda over the last few week with things being off and on and unfortunately Chris Steers was unable to be at tonight's meeting due to illness. Chairman Ferrara said he would take over for him and relay his remarks. Mr. Ferrara said that tonight's meeting was supposed to be a joint workshop with IDA and the BOT on G&S Retail D (Coney's Lot) and that they contacted us recently and said they wanted to table that for the moment while they take advantage of the low interest rates to refinance their properties. At the meeting tonight is Dan Tartaglia who is the attorney for G&S. Chairman Ferrara turned the meeting over to Attorney Justin Miller to walk the Board through the process.

G&S Refinancing

Mr. Miller provided a brief summary background of the project and process. He started by saying said that he was contacted a couple of weeks back by Mr. Tartaglia, attorney for G&S in connection with the refinancing of the debt that they have on four of the six properties.

The Main Mall – Unit I
Petco – Unit II-A
Firehouse Property – Unit IV-A
Marina Parking Lot and Costco – Unit II-C

G&S has a lender who has committed to lend and absolve the existing debt on those units and G&S would like to refinance as soon as possible. The documents and finance materials have been shared with IDA in the form of mortgage taxes and IDA is the fee owner and leases those units to G&S. G&S is also looking to restructure some of their organizational aspects and utilize Delaware based LLC's as the unit lessee for each of the units. IDA has asked for the option to review and consent to the assignments. IDA was able to review the initial authorizing resolutions and all the IDA documents associated to date. For purposes of filing procedures and processes Mr. Miller informed the Board that a Public Hearing needed to be held before authorizing the mortgages, etc., because the amount of the financial assistance under consideration exceeded \$100,000.¹

¹ - Per NYS General Municipal Law Section 859-a

Board member James Taylor said in researching this request he found that In April 2013 a refinancing was done and it appears that it was for the same units. The Coney's lot had some debt associated with it and got restructured a couple of times and the last time that it got restructured the bank at that time was a little more aggressive and cross collateralized the debt, Coney's with a couple of the other units and now it's being unwound a little.

Mr. Tartaglia said there was some original financing with the Bank of Smithtown and they were taken over when the market crashed and picked up by People's Bank. Mr. Tartaglia further stated that this debt is the largest piece that they have, it's a securitized loan and piece of a bond. Because of the significant decrease in interest rates G&S is looking to take advantage of the lower rate. There is a significant penalty for prepayment, the debt is coming due soon and this is the right time. Mr. Tartaglia continued to explain the inner workings of the loan/debt process and the advantage of paying the prepayment penalties as opposed to waiting until later not knowing what the interest rates are going to be. He also explained the lender requirements and procedures. Board member James Taylor inquired as to whether the new lender will be doing a title search? Mr. Tartaglia said they have been doing

exhaustive work and due diligence in completing that task. Board Council Justin Miller offered that there is one correction on Unit II-C – Petco Building, which never a memorandum of lease had recorded. A corrective on that property will be filed with the bank. Mr. Miller also stated that a great deal of clean up and reconciliation is being done with regards to the property leases etc. G&S will also be paying the attorney fees associated with this endeavor. G&S will be saving mortgage taxes, a fee will be paid to the IDA, Attorney Fees will be paid by G&S, and the money will come to the IDA as opposed to the County. It was also noted that in the discussions with G&S both parties discussed the issue of accountability. (Job reporting, PILOT payment flow, etc.). Mr. Tartaglia said that the Bulkhead repair was also one of the topics discussed with G&S. along with cleanups along Westchester Avenue. He also said that the line of communication between the Mayor, the Village Manager, the Building Department, G&S and himself is much improved and they are working together to resolve issues. Vice Chairman/Mayor Pagano concurred that progress has been made and leases will be obtained for all properties. Retail D and the Restaurant Pad are the only two unresolved properties.

Board Counsel Justin Miller said that tonight is a starting point. A Public Hearing on the matter of G&S refinancing has been set for Monday evening, March 23rd. A special meeting does not have to be held that night but based on the polling of Board members, perhaps a quick meeting could be held after the Public Hearing to accept the application. The Coney’s Lot and Costco are not included in the refinancing. Chairman Ferrara and Board Counsel Justin Miller are working on a cost benefit analysis which will be provided at the hearing.

On a side note Treasurer Leonie Douglas asked if US1 (Road Improvements Bond) was on the list for clean up because the Bond is still being paid on that matter. The Board did not readily have the answer and the matter will be investigated further. Ms. Douglas said the premium is a little under \$3,000 each month.

On the motion of Board member Richard Cuddy, which was seconded by Board Member John Hiensch, the Resolution to schedule a Public Hearing for March 23rd was approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>		<u>X</u>	<u>X</u>		
<u>KENNER</u>			<u>X</u>		
<u>PILLA</u>			<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

After the vote Mr. Tartaglia left the meeting. Chairman Ferrara said one of the benefits of doing this is because it strengthens the project and helps us to get through a thicket of issues associated with the project. The benefit of the project are on-going. A brief discussion was held by the Board summarizing and clarifying all the new previously discussed information.

2015-2016 PCIDA Budget

Chairman Ferrara said that Administrative Director Christopher Steers was going to present the proposed 2015-2016 Operating Budget but in his absence a PowerPoint presentation of the budget was included in everyone's packet. Chairman Ferrara said he has reviewed the data and hopes everyone had an opportunity to do so. The information was derived from the financial statements. Board member James Taylor questioned a 2014-2014 adopted budget totaling \$71,300 and questioned when we adjusted the budget include \$100,000 for planning & development. This was explained as being adopted back in and the money was for Urbanomics (\$30,000) and National Development Council (\$70,000).

P.C. Industrial Development Agency
Proposed FY 2015-16 Budget
March 11, 2015

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	2014-15	FY 2014-15	As of	FY 2015-16
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted	Adj. Budget	03/05/15	Proposed
										Actual	Budget
REVENUES:											
Application Fee (\$500 each)			500	500	123,059	-	1,000	-	-	500	-
Closing Fee (\$2,500)			2,500	145,000	94,792	-	56,061	-	-	2,500	-
IDA Fee (1% on 1st \$10 mil, .5% over \$			-	-	-	-	-	-	-	-	-
Interest Earnings	6,742	972	288	695	303	538	474	250	250	308	250
Annual Compliance Processing Fee (\$1			-	-	-	-	-	-	-	-	-
Misc. Fees	250	10,000	21	-	55,923	-	-	-	-	-	-
Appropriated Net Asset			-	-	-	-	-	71,050	172,920	-	71,050
Total Revenues	6,992	10,972	3,309	146,195	274,077	538	57,535	71,300	173,170	3,308	71,300
APPROPRIATIONS:											
Professional Services:											
Administrative Director	-	625	6,000	36,000	18,000	-	750	18,000	18,000	12,000	18,000
Administrative Service Assessment	-	-	-	-	-	-	-	-	-	-	-
Financial Officer	5,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	4,000	6,000
Secretary	-	-	750	1,950	2,400	1,400	1,700	2,400	2,400	1,400	2,400
Legal Services	3,735	8,038	13,759	21,158	10,965	9,379	5,933	15,000	15,000	3,434	15,000
G & S Administrative				25,866	47,169	7,350	-	-	-	-	-
Marina	-	-	-	-	-	1,995	-	5,000	5,000	5,000	5,000
Planning & Development	-	-	-	-	-	-	3,130	10,000	111,870	55,218	10,000
Office Expenses:											
Office Supplies	-	-	-	205	479	241	103	750	750	23	750
Education & Training	-	-	-	1,400	750	750	750	1,500	1,500	750	1,500
Travel Expense	-	-	-	779	927	-	-	750	750	-	750
Rent	-	-	-	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Publication of Notices	-	-	-	-	-	-	-	100	100	-	100
Auditing Services	2,000	2,100	2,200	3,750	3,950	4,050	4,050	4,500	4,500	4,050	4,500
Liability Insurance	-	-	-	3,658	3,634	3,800	4,046	4,300	4,300	4,086	4,300
Bond/BAN Filing Fees	-	-	-	-	91,792	-	-	-	-	-	-
Contingency:											
Contingency	-	-	-	-	-	-	-	-	-	-	-
Total Appropriations	10,735	15,763	27,709	99,766	189,066	37,965	29,462	71,300	173,170	92,961	71,300
Change in Net Asset	(3,743)	(4,791)	(24,400)	46,429	85,011	(37,427)	28,073			(89,653)	
Net Asset Beginning of Year	223,776	220,033	215,242	190,842	237,271	322,282	284,855			312,928	
Net Assets - End of Year	220,033	215,242	190,842	237,271	322,282	284,855	312,928			223,275	

Prepared by Financial Officer

On the motion of Board member James Taylor, which was seconded by Vice Chairman Neil Pagano the IDA 2015-2016 proposed budget was approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>X</u>		
<u>PILLA</u>			<u>X</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>		<u>X</u>	<u>X</u>		

Chairman Ferrara said that in Administrative Director Steers' Summary remarks he tried to get everyone together on a Saturday with regard to the strategic planning process. It was later suggested by one of the Board members that perhaps it would be a good idea to add the workshop as part of our regularly scheduled meetings. So starting with the April meeting, a portion of the meeting will be devoted to the strategic planning process with Prof. John Nolan. This will be done over a series of meetings.

Treasurers Report

Treasurer Leonie Douglas gave an overview of the current budget, invoices and escrow reports.

Invoices

The current invoices that were submitted:

\$1,500.00 Christopher Steers
\$5,000.00 National Development Council
\$200.00 Constance Phillips
\$500.00 Leonie Douglas
\$700.00 Harris Beach

On the motion of Board member Richard Cuddy, which was seconded by Board member Dennis Pilla the submitted invoices and Treasurer's report were approved

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>	<u>X</u>		<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>X</u>		
<u>PILLA</u>		<u>X</u>	<u>X</u>		
<u>TAYLOR</u>			<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Ms. Douglas also provided the monthly financial report and the G&S Escrow report

Port Chester Industrial Development Agency
Cash Analysis & Net Asset
As of February 28, 2015

Cash on Hand	\$ 263,320.69	
Prepaid Expenses	\$ 3,000.00	
Cash on Hand & Net Asset @ 2/1/15		\$ 266,320.69

Deposits/ Interest Received during February 2015

	\$ -	
JP Morgan Chase Interest Earned Feb 2015	\$ 3.89	
TD Bank Interest Earned Feb 2015	11.09	
Total Revenues/Interest		\$ 14.98

Expenses

Constance Phillips Secretary-Feb	\$ (200.00)	
Leonie Douglas Fin Officer-Jan	\$ (500.00)	
Christopher Steers Administrative Director-Jan	\$ (1,500.00)	
County of Westchester Jetro County PILOT	\$ (39,017.05)	
Town of Rye Jetro Town PILOT	\$ (677.66)	
Urbanomics Technical Srv. Rendered	\$ (347.69)	
Harris Beach Legal Matters-Jan	\$ (800.00)	
Checks Paid during February 2015	\$ (43,042.40)	
Total Checks Paid		\$ (43,042.40)

Net Asset @ 2/28/15 \$ 223,293.27

Reconciliation of Bank Accounts & Net Asset

JPMorgan Chase at 2/1/15	\$ 118,806.03	
Deposits	\$ -	
Interest Earned - Feb	\$ 3.89	
Checks Written-Feb	\$ (43,042.40)	
Total JPMorgan Chase at 2/28/15		\$ 75,767.52
TD Bank at 2/1/15	\$ 144,514.66	
Interest Earned - Feb	\$ 11.09	
TD Bank at 2/28/15		\$ 144,525.75

Total Bank Balance at 2/28/15 \$ 220,293.27

Prepaid Expenses (1 year's rent prepaid)	\$ 3,000.00
Total Net Asset at 2/28/15	<u>\$ 223,293.27</u>

Prepared by PCIDA Financial Officer

MINUTES

On the motion of Board member James Taylor, which was seconded by Board member Dennis Pilla, the minutes of the February 11, 2015 meeting was approved.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>			<u>X</u>		
<u>PILLA</u>		<u>X</u>	<u>X</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Adjournment

On the motion of Board member James Taylor, which was seconded by Board member Joseph Kenner, the meeting was adjourned.

ROLL CALL

<u>MEMBER</u>	<u>MOTION</u>	<u>SECOND</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
<u>CUDDY</u>			<u>X</u>		
<u>FERRARA</u>			<u>X</u>		
<u>HIENSCH</u>			<u>X</u>		
<u>KENNER</u>		<u>X</u>	<u>X</u>		
<u>PILLA</u>			<u>X</u>		
<u>TAYLOR</u>	<u>X</u>		<u>X</u>		
<u>PAGANO</u>			<u>X</u>		

Respectfully submitted,
Constance R. Phillips