

The Glen Cove Industrial Development Agency held a special business meeting via Microsoft Teams on Thursday, April 8, 2021. The Chairman called the meeting to order at 6:02 p.m. and the following members were present:

**IDA MEMBERS:**

Timothy Tenke, Chairman  
James Cappiello  
Dave Jimenez  
Ion Puspurica  
John Tetta

**Also Present:**

Ann Fangmann, Executive Director  
Camille Byrne, Secretary  
Margo Zoldessy, Chief Financial Officer  
Milan Tyler, Esq. – Legal Counsel

**ABSENT:**

*Vincent Hartley, Vice Chairman*  
*Joseph Gioino*

The Secretary reported that the notice of special meeting (via Microsoft Teams) was served in accordance with the Glen Cove Industrial Development Agency by-laws and Open Meetings Executive Order 202.87.

**MINUTES:**

Chairman Tenke made a motion to adopt the minutes of the IDA/LEAC meeting held March 23, 2021 and asked for a second. The motion was seconded by Ion Puspurica. Motion carried as follows:

**IDA/GCLEAC MEMBERS**

Timothy Tenke  
James Cappiello  
Dave Jimenez  
Ion Puspurica  
John Tetta  
*Vincent Hartley*  
*Joseph Gioino*

**VOTING**

AYE  
AYE  
AYE  
AYE  
AYE  
*Absent*  
*Absent*

**NEW BUSINESS:**

Chairman Tenke announced that the purpose of tonight's special meeting is to hear from Georgica Green Ventures, LLC (GGV) and the applicant's request for extension of PILOT to match 30-year term of their financing. He reminded the board members of the IDA's Ethics Policy and that if any board member has a potential conflict upon review of the project application, it should be disclosed to the Ethics Officer (Vincent Hartley) or to the Governance Committee in which Chairman Tenke is the Chairperson or to the IDA Legal Counsel (Milan Tyler) for advice on the disclosure.

Chairman Tenke asked IDA Legal Counsel, Milan Tyler, to provide the members with an overview of the of the request by GGV. Mr. Tyler informed the members that this project is a 55-unit, 100% affordable housing development at the Garvies Point Waterfront Redevelopment site. He reminded the members that the Board had previously approved the transfer of the parcel from RXR to GGV as well as standalone mortgage recording and sales tax assistance. The request for PILOT extension from the already approved 20-year PILOT to 30-year PILOT is made through GGV, not RXR. The rationale behind the request is that the developer's lender has informed GGV that they want the PILOT to be commensurate with the 30-year mortgage term. The request being heard this evening is for a stand-alone 10-year PILOT to go into effect once the already approved 20-year PILOT expires. Mr. Tyler reminded the members that tonight's resolution does not bind the IDA to approve the 10-year PILOT extension request. If the preliminary resolution is approved, it authorizes the IDA to conduct further due diligence by both the staff and legal counsel and a public hearing will be scheduled to present the findings to the public and receive public comments on the matter.

Mr. Tyler introduced GGV President, Dave Gallo, and the applicant's legal counsel, Dan Deegan, to address the members. The applicant reminded the board that this parcel will be 100% affordable housing, 55 units, with rents targeting the 30% - 80% AMI on Long Island. GGV contracted with RXR to purchase the parcel for the affordable housing component of the luxury waterfront development as required in the master tax agreement and through a combination of State tax credits and government grants, the lending institution has required the PILOT to be coterminous with the 30-year financing which is consistent with lending across Long Island. Dave Gallo emphasized to the members that the property will have a 50-year regulatory agreement with the tax credit and granting agencies thereby committing to a 50-year affordability program.

Chairman Tenke opened the floor to board members questions:

Q: (J.Tetta) How often does a lender dictate to borrower the length of PILOT?

A: Mr. Tyler indicated that he participated in a call with the applicant's lender, and it was made clear that the underwriter/lender's request is based on assumptions. He often sees this stipulation occurring with Long Island multi-family housing project to stabilize the loan.

A: Mr. Deegan added that the additional 10-year PILOT extension will give the lender another layer of confidence that the loan will be repaid between years 21 and 30 of the financing term.

Q: (J.Tetta) Asked whether the lender was commercial or private investor?

A: Mr. Gallo and Mr. Deegan informed the members that the lender is Barings, LLC with a Freddie Mac rate debt to tax credit equity with 100% financing through Nassau County, Federal and State housing tax credits. The lenders require that the PILOT mirror the term of the financing.

Q: (J.Tetta) Asked if the developer anticipates an increase in the cost of raw materials due to rising costs since the project was in the planning phase? He expressed his concern that the cost overruns could result in the City of Glen Cove getting a "skinny" version of the project.

A: Mr. Gallo indicated that there is an increase in the cost of materials, but it will not have any impact on the approved plans. GGV reputation and Housing and Community Renewal (HCR) regulations will ensure a quality project as per the approved plans/specifications that will be included into the IDA document creating a "covenant" agreement. GGV will not change the value of the appliances or materials used in the approved project.

Q: (I.Puspurica) Asked for the specific requirements from the lending institution who appears to be seeking risk management, perhaps NOT additional PILOT?

A: Chairman Tenke reminded the members that the IDA sought the opinion of National Development Council (NDC) to conduct a PILOT analysis on the requested extension from 20-year PILOT to 30-year PILOT on this project and a preliminary analysis along with the Barings LLC (applicant's lender) term sheet were distributed to the members in advance of this meeting.

Q: (D.Jimenez) Asked why in years 1-20 there seems to be a 2% escalation; however, year 21-30 the rate seems to go up markedly?

A: Mr. Tyler explained that the 1<sup>st</sup> 20-year PILOT is built into the 2016 Master Tax Agreement. Ms. Fangmann concurred that the PILOT for years 21-30 does increase quite a bit as explained earlier and those larger payments will be distributed to the affected tax jurisdictions, including the City of Glen Cove. The IDA sought the advice of NDC to determine the maximum PILOT the project could incur and be successful. The rationale for the PILOT extension= 10% shelter rents starting at Year 21 with a 2% annual escalation factor.

Q: (J.Tetta) Does this project NOT move forward without this financing?

A: Mr. Tyler responded that based upon a call with the lender, it was made clear that the PILOT must match the term of the financing.

Q: (I.Puspurica) Commented that NDC's analysis was excellent, and it shows sustainability for years 21-30. Is this sustainable for the developer and lender?

A: Mr. Tyler indicated that the NDC analysis showing an increase from \$80K to \$159K in the payment schedule at Year 21 was shared with the IDA and has not been shared with the applicant/developer at this time. However, the concept of starting at 10% of shelter rents for the PILOT extension was shared with the applicant/developer prior to this meeting.

Mr. Deegan added that since this schedule has not been shared with the developer at this time, they are not 100% sure this schedule will satisfy the applicant's lender.

Mr. Tyler informed the board members that if they approve the preliminary resolution this evening, it authorizes the board to commission due diligence and schedule a public hearing that will give both the board members and public the opportunity to review the due diligence and to ask questions. All questions and answers will be recorded in a meeting transcription that will be posted on the IDA website. Mr. Tyler then anticipates that the Board will consider the approving resolution for this matter of the PILOT extension at a meeting in mid-May.

Chairman Tenke asked if there were any further questions. As there were no further questions, Chairman Tenke made a motion to adopt resolution 5(a):

5(a) Resolution of the Glen Cove IDA taking preliminary action toward the granting of additional PILOT financial assistance to Georgica Green Ventures, through its affiliate Garvies Point Workforce LLC and/or its other affiliates in connection with a certain project of the Glen Cove Industrial Development Agency and authorizing certain action with respect to such transaction. The motion was seconded by John Tetta. Motion carried as follows:

	<b><u>VOTING</u></b>
Chairman Tenke	AYE
Jim Cappiello	AYE
John Tetta	AYE
Dave Jimenez	AYE
Ion Puspurica	AYE
<i>Vice Chairman Hartley</i>	<i>Absent</i>
<i>Joe Gioino</i>	<i>Absent</i>

As there was no further business to come before the IDA board, Chairman Tenke made a motion to adjourn the meeting and asked for a second. The motion was seconded by John Tetta. Motion carried as follows:

	<b><u>VOTING</u></b>
Chairman Tenke	AYE
Jim Cappiello	AYE
John Tetta	AYE
Dave Jimenez	AYE
Ion Puspurica	AYE
<i>Vice Chairman Hartley</i>	<i>Absent</i>
<i>Joe Gioino</i>	<i>Absent</i>

The meeting was adjourned at 6:55 P.M.

Respectfully Submitted,

Camille Byrne, Secretary  
Glen Cove IDA

Adopted 4/13/21