

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
& LOCAL ECONOMIC ASSISTANCE CORP.
City Hall - 9 Glen Street, Glen Cove, NY 11542**

**Minutes of Meeting
November 17, 2021**

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular business meeting via Microsoft Teams on Wednesday, November 17, 2021. Chairperson Tenke called the meeting to order at 6:34 p.m. and the following members were present:

IDA/LEAC MEMBERS:

Timothy Tenke, Chairperson
Vincent Hartley, Vice Chair
James Cappiello
Joseph Gioino
Ion Puspurica

ABSENT:

Dave Jimenez
John Tetta

Also Present:

Ann Fangmann, Executive Director
Margo Zoldessy, Chief Financial Officer
Camille Byrne, Secretary
Milan Tyler, Esq. - IDA Legal Counsel
Peter Morra, Esq. – FHDC/Applicant Counsel
Stanley Wilczewsky, FHDC/Applicant
Dr. Bruce McCurtey, FHDC/Applicant
Rev. Alfred Evans, FHDC/Applicant

MINUTES:

Chairperson Tenke made a motion to adopt the minutes of the IDA/LEAC meeting held September 29, 2021 and asked for a second. The motion was seconded by Vincent Hartley. Motion carried as follows:

IDA/LEAC MEMBERS

Chairperson Tenke
Vice Chair Hartley
James Cappiello
Joseph Gioino
Ion Puspurica
Dave Jimenez
John Tetta

VOTING

AYE
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Absent
Absent

Chairperson Tenke made a motion to adopt the minutes of the emergency IDA meeting held September 30, 2021 and asked for a second. The motion was seconded by Vincent Hartley. Motion carried as follows:

IDA MEMBERS

Chairperson Tenke
Vice Chair Hartley
James Cappiello
Joseph Gioino
Ion Puspurica
Dave Jimenez
John Tetta

VOTING

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Absent
Absent

EXECUTIVE DIRECTOR REPORT:

Ms. Fangmann provided the members with her agency update. Highlights as follows:

Fairfield Properties (formerly Avalon South) Site Visit: Ann Fangmann conducted site visit with Camille Byrne on October 27, 2021. We met with senior staff and conducted a walkthrough of common areas, verified full time employee count and suggested they contact the BID Executive Director to learn more about the BID and to keep apprised of downtown events.

Garvies Point/Village Square: Maintenance agreements for both developments have been drafted and in review with legal counsel. Village Square Regulatory Agreement Amendment and Chase Side Agreement letter also in review with legal counsel. These agreements are close to execution.

Certified Financial Statements from all IDA/LEAC recipients of financial assistance have been requested

for year end 2021. Due date is February 15, 2022. Requests sent out earlier in the hopes that we receive the reporting sooner than the legal deadline of February 15th, since the audit for 2021 has been moved up to the first week in February 2022.

FINANCE REPORT:

Margo Zoldessy, CFO, provided the members with the finance report for the IDA consisting of January through October 2021, budget to actual. Details as follows:

IDA (Budget to Actual (Jan thru Oct'21))

The following is a financial update comparing the Actual to Budget for the period of **Jan thru Oct 2021** - the highlights are as follows:

Revenue for the period of Jan thru Oct'21 as compared to the budget is as follows:

Total Revenue of **\$227 k** is 36% of the annual budget of **\$635 k**

Note: Revenue includes Admin Fees, Interest income and Escrow fees

Admin Fee Revenue accounts for \$105 k / out of \$ 176 k budgeted

Escrow Fees accounts for \$120 k / out of \$ 450 k budgeted

Interest \$2 k / out of \$ 9 k budgeted

Expenses for the period of Jan thru Oct (as compared to the Annual Budgeted Amount) are as follows:

Salaries and benefits incurred for **\$132 k** is 80 % of annual budget of **\$165 k**

The Benchmark of 10 out of 12 months is 83%.

Professional Expenditures incurred for **\$129 k** is 26% of the annual budget of **\$488 k**

Note: Prof Fees include Accountant fees, Legal Fees and Escrow Fees

Escrow Fee Expenses account for \$120k out of \$450k budgeted

Other expenses incurred for the amount of **\$2.4 k** is 62% of the annual budget of **\$4 k**

Other expenses include Advertising, Publications, and office expense

Thus far there is an **operating loss** of **\$ 35k**

NEW BUSINESS

Chairperson Tenke announced that this evening's new business is Fair Housing Development Corp.'s (FHDC) request for extension of PILOT. The Chairperson requested Milan Tyler, IDA/LEAC legal counsel, to provide the members with the background on this matter.

Mr. Tyler informed the members that the project known as Stanley Park/Janet Lane is low-income rental housing that was constructed 50 years ago consisting of 53 units and received a 40-year PILOT from the City of Glen Cove. Approximately 8 years ago, the PILOT lapsed and the project went back on the tax roll at full assessed taxation for a period of one year, at which point the IDA granted a seven-year PILOT to FHDC. As explained by Peter Morra, Legal Counsel to FHDC, that year of full taxation as well as legal fees due to a tenant association lawsuit and rising insurance premiums has posed a hardship to FHDC whose only source of revenue for upkeep of property, etc. is through rent receipts which are fixed at low-income rent (e.g., ceiling rent for a 4 bedroom is \$1,060.00 per month). FHDC further explained that since the original HUD mortgage had been satisfied, the only regulatory agreement in place to keep the rents affordable for low income is through the PILOT with the IDA. If no PILOT is granted, they will be forced to increase the rents in order to keep the development in operation (and no regulatory agreement would be in place to regulate same). The 7-year PILOT is due to expire in June 2022 for the 2021/22 school tax year and 2022 general (County/City) tax year. The 7-year PILOT had maintenance condition provisions deemed necessary by the IDA which have been verified as being performed, to the best of the FHDC ability given the financial stress of catching up from the one year of full tax as well as tenant arrears as a result of COVID. Joe Gioino, IDA board member, asked what is the alternative if there is no PILOT extension? Mr. Morra, legal counsel for the applicant, emphasized the need for the extension of the PILOT as did members of the FHDC board in order to maintain this low-income housing for the 53 households in Glen

Cove. The alternative might be to sell the development, since FHDC's purpose is to provide low-income housing and would not be able to raise the rents to the level needed to keep up with expenses on their own. This would result in rents going to market rent rates and this would be cost prohibitive to the families who live in this development. Proceeds derived from the sale by FHDC would have to go to charity. Other members of the board asked questions concerning the financials in order to get an idea of the term of the PILOT that FHDC would be requesting. Mr. Tyler reminded the members that the purpose of tonight's meeting was to grant authorization to enter into a preliminary agreement and to conduct IDA due diligence so as to further review those options. It was suggested that in addition to an economic impact analysis, that National Development Corp. (NDC) perform an analysis to give the board a better idea of the terms of the PILOT. Members of FHDC reminded the board that there has been no rent increase in 10 years and the last increase was approximately \$100 per month, per unit. It was also suggested that perhaps a 2% structured rent increase built into the PILOT extension agreement could help FHDC to perform the necessary upkeep to the development. Following Mr. Tyler's update and after hearing from the members of FHDC, Chairperson Tenke stated that he supports continuation of financial assistance to this project and that the City should get behind it to support those low-income families to remain in the City of Glen Cove. He thanked everyone for their input. As there were no further questions, the Chairperson moved on to the Resolutions.

RESOLUTIONS:

Chairperson Tenke made a motion to adopt IDA Resolution 6(a):

6(a) Resolution of the Glen Cove Industrial Development Agency taking preliminary action toward the granting of additional PILOT Financial Assistance to Fair Housing Development in connection with certain project known as Janet Lane low-income apartment complex and authorizing certain action with respect to such transaction.

Motion to adopt Resolution 6(a) was seconded by Joseph Gioino. Motion carried as follows:

IDA MEMBERS

Chairperson Tenke
Vice Chair Hartley
Jim Cappiello
Joe Gioino
Ion Puspurica
Dave Jimenez
John Tetta

VOTING

AYE
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AYE
Absent
Absent

As there was no further business to come before the board, Chairperson Tenke made a motion to adjourn the meeting and asked for a second. The motion to adjourn was seconded by Vice Chair Hartley.

Motion carried as follows:

IDA MEMBERS:

Chairperson Tenke
Vice Chair Hartley
James Cappiello
Joseph Gioino
Ion Puspurica
Dave Jimenez
John Tetta

VOTING

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AYE
AYE
AYE
Absent
Absent

The meeting adjourned at 7:25 PM.

Respectfully Submitted,
Camille Byrne, Secretary
Glen Cove IDA/LEAC