

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

9 Glen Street, City Hall

Glen Cove, New York 11542

MINUTES OF MEETING

March 28, 2023

Resolution #7(a)

RESOLUTION OF THE GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE SUBMISSION OF THE AGENCY ANNUAL ACCOMPLISHMENTS AND PERFORMANCE REPORTING FOR FYE 12-31-23 TO THE NEW YORK STATE AUTHORITIES BUDGET OFFICE

WHEREAS, the Glen Cove IDA Governance Committee met on February 28, 2023 to review the annual accomplishments and performance goals as outlined in the attached report as well as summary of the confidential results of the annual board evaluation.

WHEREAS, the Governance Committee hereby recommends submission of the attached 2022 Accomplishments Report as outlined herein to the New York State Authorities Budget Office (NYS ABO). The Governance Committee also recommends submission of the 2022 summary of confidential results of the annual board evaluation noting that all board members are reminded and encouraged to not hesitate to ask for more time, defer or table actions if they require more time before casting their vote.

NOW, THEREFORE, BE IT RESOLVED that the Glen Cove Industrial Development Agency is hereby authorized to submit the annual board evaluation and accomplishments/performance goal report to the NYS ABO on or before March 31, 2023.

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

	<u>VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Thomas Hopke	<i>ABSENT</i>
Dave Jimenez	AYE

The foregoing Resolution is thereupon declared duly adopted.

GC-IDA
ENTERED
 3-28-23
 GB

**Glen Cove Industrial Development Agency
Measurement Report FYE 12/31/22
Governance Committee Meeting 2/28/23**

IDA Mission Statement: The Glen Cove IDA is authorized to promote, facilitate, and assist in the acquisition, construction, and improvement of industrial, commercial, cultural, and educational facilities that advance economic welfare of the community by job creation, economic activity, and prosperity for the residents of the City of Glen Cove.

The Mission Statement is reviewed annually by the board members and will be reaffirmed by the full board at the March 28, 2023 board meeting approving this report. The initial approval of the revised mission statement by the board members took place on March 10, 2011.

Answers to 5 questions:

1. **Have the board members acknowledged that they have read and understood the mission of the public authority?**
 - a. The board members acknowledged that they have read and understood the mission of the Glen Cove IDA.
2. **Who has the power to appoint the management of the public authority?**
 - a. The Chairman has the power to appoint the management of the Glen Cove IDA.
3. **If the board appoints management, do you have a policy you follow when appointing the management of the public authority?**
 - a. This is not applicable as the Chairman appoints management.
4. **Briefly describe the role of the Board and the role of management in the implementation of the mission.**
 - a. The role of the Board regarding the implementation of the public authority's mission is to provide strategic input, guidance, oversight, mission authorization, policy setting and validation of the authority's mission, measurements, and results. The role of management is to collaborate with the board in strategy development / strategy authorization and to implement established programs, processes, activities, and policies to achieve the public authority's mission.
5. **Has the board acknowledged that they have read and understood the response of each of the questions?**
 - a. The Board of Directors acknowledged that it has read and understood the responses to these questions and approving their submission.

Glen Cove IDA Performance Measurement Report for the year ending December 31, 2022.

Performance Goal #1. *To operate in a fiscally conscientious and responsible manner.*

Performance Measurement: The IDA obtained its goals of being fiscally conscientious and responsible as well as operating in a transparent and easily accessible manner for the year 2022. The IDA has consistently filed all reporting with ABO in a timely manner as well as instituting any new policies or requirements mandated or suggested by the ABO. The IDA also responded to all inquiries regarding project data from the ABO. In June 2021, amendments were incorporated into the IDA By-Laws to align its policies and procedures to comply with current best practices in governance and applicable laws in Article 18-A of the General Municipal Law, including, without limitation, the Public Authorities Accountability Act of 2005; Public Authorities Reform Act (PARA) of 2009, PARA audit of 2019 and New

York State Office of the Comptroller (OSC) Project Review and Monitoring audit report released July 2021. The IDA's Corrective Action Plan was received by OSC in October 2021. Amendments were made in keeping with gender neutrality, formalizing procedures to approve financial reports, more detail on the role of board members and officers, procedure of filing annual financial disclosure and the separation of audit/finance committee into two separate committees. The amended By-Laws also incorporated flexibility in board meeting scheduling. The IDA By-Laws had not been updated since 2008. The Audit and Finance Committees met periodically during the year to review and approve the Annual Budget and Annual Financial Report as well as monitored the investing and internal control policies of the Agency. The Committees reported no findings to the Board. The Agency's auditors had no findings for the IDA for the year ending December 31, 2022. The IDA's Straight lease programs have paid their PILOTs in a timely fashion as well as creating and maintaining the number of full-time jobs, (FTE's) agreed to in their agreements. On September 29, 2021, the IDA board approved a formalized procedure for conducting site visits for financial aid assistance recipients to verify the FTE's and report on improvements to the building made by the project owner. This procedure involves the Executive Director to go to the site and meet with management and take notes/photos that is then reported to the board members. Several site visits were performed in 2022. The Board Secretary ensures that all members and officers of the board file an annual financial disclosure form to be kept on file with the IDA Board Secretary to identify any conflicts of interest of the member/officer relative to the business of the Agency.

Performance Goal #2. *To continually assess the needs and opportunities of the City's business community, and to strive to apply the Agency's services where they will create the most benefit and economic vitality.*

Performance Measurement: The IDA has met the goal of assessing the needs and opportunities of the City's business community for 2022. The IDA works with the Glen Cove Business Improvement District (BID), Chamber of Commerce and Inter-Agency Council (IAC) to identify what businesses are needed in the Downtown area and then actively recruiting these types of businesses through direct communications, and meetings and calls with stakeholders. The IDA continues to participate in the Long Island Economic Collective Digital Marketing Campaign, which includes all eight IDAs on Long Island and well as the support of Discover Long Island and National Grid. The IDA was featured in the Long Island Intelligence Report, with distribution of print and digital copies. This Report was featured in Site Selection magazine, with national exposure. The LI Economic Development Collective also launched a webpage: <https://www.discoverlongisland.com/business>. The IDA collaborates with other city organizations and agencies (such as the Business Improvement District Board, the Chamber of Commerce, the Inter-Agency Council, and others) and participates in several business focus groups and town hall meetings in order to enhance communication and obtain feedback.

Performance Goal #3. *To meet the economic and sustainability needs of the community through application of various economic incentives and programs.*

Performance Measurement: The IDA has met this goal in 2022 with continued use of the IDA straight lease and bond programs.

In 2014, the City created a new corporation the **Glen Cove Local Economic Assistance Corporation**, ("GCLEAC") to assist the National Healthplex, (d/b/a "The Regency at Glen Cove") The ability to refinance their debt has allowed the Regency to: a) increase the assisted living unit count by three units from 96 to 99 units; b) create additional common space and other aesthetic and functional

improvements within the building; c) improve the School Street façade and construct a new 22 memory care unit (making the total unit count 121). The improvements should significantly enhance the quality of life for the residents. This project began construction in May 2016 and will create 16 new full-time jobs as well as 11 construction phase jobs. The construction of the Alzheimer's units was completed in late 2019 and produced 752 full time equivalent construction and construction related jobs. The Ribbon cutting for the newly named Safe Harbor took place on January 30, 2020. The Regency reported 69 Full-Time Equivalent (FTE) jobs in 2022.

The IDA Board approved the assignment and transfer of the **Avalon South PILOT (Fairfield Properties)** and related documents to Fairfield Glen Cove South Owner LLC in June 2021. IDA staff conducted an on-site visit of the Fairfield South property in October 2021 and a follow up visit was made in November 2022. Fairfield South reported 13 Full-Time Equivalent (FTE) jobs in 2022 (8 retained and 5 created).

In July 2021, the IDA closed on the **Breton Hills property** with Arcadia Landing LLC. The IDA Board approved sales tax exemptions for the project in April 2020. Breton Hills is comprised of 72 age-restricted residential units. In January 2022, the developer of Breton Hills, Arcadia Landing LCC applied for and was granted a sales tax extension until the end of 2022 by the IDA Board. Arcadia Landing LLC – Breton Hills Condominium reported five (5) Full-Time Equivalent (FTE) jobs in 2022 as well as 30 construction jobs during the construction phase of the project.

The IDA closed on the property known as **The Villas** with 135 Glen Cove Avenue Corp. in December 2021 and received administrative fees of \$421,238. The project will consist of 6 residential buildings of 176 units aggregating 353,394 sq. ft. of space. 16 of those residential units will be affordable. The IDA Board had approved sales and mortgage recording tax exemptions for the project, in addition to a 10-year PILOT, with an option for the PILOT to be extended to 12 years if the following conditions are met: (a) at least 30% of the employees engaged by the Company in the construction of the project are Glen Cove residents earning a prevailing wage; and (b) the Company has made a good faith effort to fill the anticipated 6 FTEs after completion of the project with Glen Cove residents. In January 2022, the IDA Board granted a consent to the developer to transfer a minority of ownership interest to MATT Glen Cove LLC. Subsequently, the developer returned to the IDA Board in July 2022 to request consent to transfer a minority of ownership interests in the project to MATT Glen Cove LCC and Glen Cove VM Holdings, LCC managed by Manoj Narang. The IDA paperwork related to the transfer to Glen Cove VM Holdings is in-progress. 135 Glen Cove Avenue Corp. reported 3 construction jobs in 2022.

The IDA closed on the **Village Square property** with RXR Glen Cove Village Square Owner LLC, in December 2017 and received administrative fees of \$309,736. This 2.5-acre, five story, mixed use project is located in the Downtown Business Improvement District (BID) and centered on a large public plaza, which will help revitalize the downtown area by creating approximately 146 residential rental housing units, including 13 workforce units, approximately 15,000 square feet of commercial space and, including approximately 1,900 square feet of medical office space and 171 parking spaces on site. The IDA estimated that 15-25 full time jobs were created from this project as well as 100-150 construction jobs. The City also received a PILOP fee for \$207K. The parking lease agreement entails that RXR rent at least 25 spaces per month in the Brewster Street Garage for \$65 per month and allows up to 75 spots for residents in the garage based on demand. The project began in August of 2017, with RXR starting the demolition of the buildings on the property. Construction continued in 2019 with the majority of vertical and façade work completed. The large public plaza was also substantially completed in 2019. Construction concluded in 2020 with a ribbon cutting held in October of 2020. Additionally, a lottery for the 13 affordable units was held in June of 2020 with the support of the Long Island Housing

Partnership. Pre-leasing began in summer 2020, with full lease-up of the residential units in 2021; demand for the units is high. In December 2020, the City and RXR held a dedication ceremony for the public plaza. In 2021, the BID hosted the Downtown Sounds summer musical series in the plaza, with nearby restaurants participating in outdoor dining opportunities. . In 2021, the plaza and retail space continued to host the Deep Roots Farmers Market, tree lighting, and Winter Festival during the winter months. During 2021, RXR executed a lease with Chase; Chase relocated their former retail branch on Forest Avenue to a space in the ground floor retail of Village Square. In 2022, ground level retail occupancy by a Mexican eatery and smoothie shop, both with anticipated outdoor seating was approved by the Planning Board. In addition, Trubee Hill (gift shop) opened in Village Square. A boxing studio and pharmacy are also anticipated to open in 2023. The IDA has reviewed and received copies of all executed retail ground leases. According to RXR, all available retail space at the Village Square has been leased. Village Square reported 20 Full-Time Equivalent jobs in 2022 with 10 jobs retained and 10 jobs created.

The IDA closed on the **Waterfront Revitalization Project (Garvies Point)** in November 2016 and continues to work with RXR Glen Isle Partners LLC (RXR) in constructing the Public Amenities and green space for use by the residents of Glen Cove. Phases 1 and 2 of the public amenities are 99% completed including marina, dog park, esplanade, playground, boat ramp, bathrooms, ferry site parking lot pavement. Angler Club docks are now complete as of February 2022. This project will benefit the City of Glen Cove, its residents, and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR as developer of the Garvies Point waterfront destination created more than 460 direct and indirect jobs per year during construction and will support more than 220 jobs post-completion. There will also be new tax revenues and money infused into the Glen Cove economy. Three residential buildings are being developed during phase I of construction. Building H-rentals (177 units) and Building I-rentals (208 units), also known as Harbor Landing is open for occupancy, with Building H resident move-ins that started during fall 2019. Brendel's Bagels and Building I at Harbor Landing opened in fall 2020. As of 2021, Harbor Landing is fully leased-up. The Building B-condos (167 units known as The Beacon) leasing office opened at the end of 2019, with closings and move-ins which began in early 2020. At the end of 2021, Building B had approximately 71% of the units sold or under contract. In 2021, work on Phase 1 (east of the Ferry Terminal) of the public amenities was substantially completed and opened to the public. The U.S. Army Corp. of Engineers (ACOE) issued its Bulkhead/Marina Permit for the project on August 17, 2018, with subsequent amendments approved in the following years. The old Angler's Club was removed and replaced with a new building in 2019. The Certificate of Occupancy was issued in early 2020, with a ribbon cutting held thereafter. The Angler's Club Marina was completed in 2020; however, installation of the finger docks had been put on hold pending a waiver request for 20 ft docks to the ACOE (granted in 2021). Installation of the longer finger docks was completed in early 2022, with all work at the Angler's club complete as of March 2022. . Additional work to stabilize the open cell bulkhead at the Garvies Point Public Marina was completed in 2021, with the final set of docks installed in 2022. Public roadway work in Phase I (Dickson Street, Road F and Road G) is complete and open to the public. Phase 2 (west of the ferry terminal) of the public amenities was completed in 2021 and opened to the public; this includes Road D parking adjacent to the ferry terminal and dog park as well as a public parking lot adjacent to Building B and Garvies Point Park. The Deep Roots Farmer's Market is located in the public parking lot near Building B during the summer months. All of the outside furniture has been installed and the Ecology Pier and playground were completed and opened to the public in 2021. The dog park was previously completed and opened to the public in winter 2021. the entire Phase I and Phase II Waterfront Esplanade was completed and opened to the public by the end of 2021. Both gazebos have been constructed and furnished. The public

bathrooms on the west of the ferry terminal and boat attendant building (with public bathrooms) at the terminus of Garvies Point Road were completed and opened to the public in 2021. In February 2022, an agreement between RXR acting as agent to the IDA and Terry Contracting & Materials, Inc. (Terry) was reached to stabilize and reconstruct a portion of bulkhead located on Block J adjacent to the Brewery. In order to accomplish this work, an easement agreement between the current property owner of the bulkhead (47 Herb Hill LCC), RXR and the IDA was executed in July 2022. The four (4) properties that currently make up Block J are the subject of Phase III, the final phase of the public amenities work. As of 2022, RXR has entered into purchase agreements for two (2) of those properties with 47 Herb Hill LLC and Windsor Oil. RXR and Garvies Point Brewery (see below) own the remaining Block J properties. A total of \$71,638,056.83 has been spent on the Public Amenities at the Waterfront, as of December 31, 2022.

In April 2020, the IDA Board approved the addition of the **Garvies Point Brewery** as part of the RXR Garvies Point project at the Waterfront, along with modifications to the original Marina Building #1. RXR sought to activate the east end of the project and public amenities with the addition of the Brewery, with indoor and outdoor dining space, which relocates an existing Waterfront business looking to expand operations to another location across the road. As of summer 2022, the Brewery was 99% complete and open for business. A small portion of Esplanade behind the Brewery patio was also completed.

The Brewery building will retain the office space and public restrooms that were envisioned for the original marina building. At this time, the IDA Board also appointed the Garvies Point Master Association, Inc. (HOA) to an initial five-year term to oversee and manage the maintenance of the Public Use Easement Areas and Public Improvements. This requires the HOA to enter into a Maintenance Agreement with the IDA. The Public Use Improvements Maintenance Agreement between the IDA and the HOA was executed 3/31/2022. In addition, the aforementioned item was memorialized in the **Second Amendment to the Garvies Point Continuing Covenants Agreement** dated 3/24/2022. Finally, the IDA and the HOA entered into an agreement on 4/15/22 under which the HOA managed the operations of the Garvies Point Public Marina comprised of 47 boat slips during the 2022 summer boating season at no cost to the IDA. The IDA plans to procure a Public Marina Operator in 2023.

In September 2020, the IDA Board granted an extension of the sales tax benefit at Garvies Point to RXR, consistent with a **PUD Amendment** RXR is seeking approval of from the Planning Board and an updated construction timetable. The IDA Board also consented to RXR's application to the Planning Board for the PUD Amendment and noted special considerations for the Planning Board in their review within the approving resolution. In August 2022, the Planning Board approved the PUD Amendment with conditions. Subsequently, RXR submitted an application to the IDA requesting PILOT for 72 additional units, consistent with the PUD Amendment approved by the Planning Board. As of late December 2022, RXR withdrew its IDA application and informed IDA staff that it would be pursuing an alternative plan for the remaining development.

The Waterfront Revitalization Project (Garvies Point) reported 81 FTEs in 2022, with 55 retained and 26 created. 131 construction jobs were also reported.

In August 2020, the IDA granted sales and mortgage tax exemptions to the **Georgica Green Ventures LLC** affordable housing project at Garvies Point. This project will provide 55 units of affordable rental housing to the City at the Waterfront. In 2019, the IDA Board consented to the transfer of Block G (part of Garvies Point) from RXR to Georgica Green. The closing on the property occurred in 2021 following

IDA Board approval of a PILOT extension. Construction of this 100% affordable rental housing consisting of 55 units will near completion Spring/Summer 2022. Lottery will be undertaken once construction is 75% complete. 40 units at 60% AMI; 6 units at 100% AMI and 8 units reserved for Section 8 Project Based. Georgica Green Ventures reported 51 construction jobs in 2022.

The **Ferry Terminal Building** was completed in December 2015 and full project close-out was completed in 2017 with all grant funding reimbursed. Paving and striping of the Ferry Terminal parking lot was completed in 2021 in coordination with RXR and the public amenities work. The City released an RFP for a Ferry Operator in November 2017. Two respondents submitted proposals. The City of Glen Cove accepted the proposal of Hornblower Metro Ferry LLC with the commencement of service targeted for May 2020. The City requested an extension from FHWA and NYSDOT who were the funding agencies for the project and approval was granted to delay the commencement of ferry service to May 2020, to allow time for the Garvies Point (Phase I), Village Square, and Herb Hill/Garvies Point Road projects to be completed reducing the hazardous construction conditions that would be at and around the ferry terminal site. A detailed action plan with milestones to achieve this goal was developed in 2018 and approved for implementation by the FHWA and NYSDOT during 2019. The IDA assisted the City in the RFP process for operator and the City entered into a letter of intent to contract with Hornblower Metro Ferry, LLC in January 2020. However, due to the Covid-19 pandemic, the NYSDOT and FHWA have agreed to an indefinite postponement of the City's commuter ferry service at this time. The City entered into a one-year agreement with Eastern Star Dinner/Event Cruises in May 2019 for a one-year term at an annual cost of \$15,000.00, with subsequent extensions negotiated by the City. In fall 2022, the City/IDA in partnership with Hornblower released a public survey. This survey will help the City of Glen Cove gain a better understanding of the prospective ridership of a commuter ferry service from Glen Cove to Manhattan given workplace restrictions being lifted. As of the end of 2022, approximately 1,500 survey responses have been received. The City has continued discussions on the future use of the ferry terminal site with USDOT and NYSDOT both directly and through its local elected officials.

The **Herb Hill/Garvies Point Road Reconstruction** contract was awarded in January 2017. The team worked with NYSDEC to develop an Excavation Work Plan (EWP) approved by NYSDEC in early November 2017. In 2019, substantial work (approximately 80%) was completed on the project, including the installation of underground utilities (sewer, water, drainage, telecommunications) from the terminus at the west end of Garvies Point Road to near the Slant Fin property. The installation of a temporary bypass at the intersection of Herb Hill Rd., Garvies Point Rd. and Dickson St. was also completed by RXR to facilitate work on the project in 2019. As of late spring 2020, the project was fully completed, transforming the one mile, degraded and inadequate roadway into a corridor for the Waterfront, with new pedestrian sidewalks; sanitary sewer, water, telecommunications, electrical utilities; and stormwater management infrastructure. In addition, the roadway was elevated, with utilities relocated underground, providing resiliency measures for major storm events. Funding for the road project will be provided by NYSDOT, \$6.5 million and \$2.5 million by Empire State Development. The balance of the funding will be paid from bond proceeds totaling \$15,942,847 for the road. Due to escalation caused by project delays and cost increases resulting from the requirements imposed by the NYSDEC and water management issues, the City worked with the IDA, GCLEAC, and RXR to make up to approximately \$13.7M available from the Public Amenities account to the City account for the Road project, as needed. This was memorialized in several agreements executed between the parties, including the First Amendment to the Trust Indenture, PIF Agreement, and Road Agreement. As of the end of 2022, approximately \$7,534,194 was transferred to the City account from the Public Amenities account for the road. Approximately \$30,332,233 has been spent on the road construction (including professional fees). As of the end of 2022, approximately \$6,847,986 has been reimbursed by NYSDOT

for the project (full reimbursement). During 2021, ESD Board approval for the grant reimbursement was received; the Grant Disbursement Agreement was reviewed and executed; and the CDA responded to numerous ESD audit requests. The full \$2,500,000 grant reimbursement from ESD was received in December 2021 closing out the grant. The CDA received approval for all project close-out materials for NYSDOT submitted in 2021. Final construction payment issues were resolved and the CDA received the final payment of \$425,468 from NYSDOT on 11/2/22. NYSDOT project close-out is complete. The project is closed with the City pending NYSDEC fees received on 11/4/22. The CDA/City is in the process of disputing these fees.

Performance Goal #4: *To encourage businesses to benefit from IDA programs by clearly communicating the programs available.*

Performance Measurement: The IDA has successfully met this goal in 2022 by keeping the website current with information about the programs that are offered by the IDA along with what benefits the IDA can provide to qualified companies seeking financial assistance. NYS-OSC has mandated that IDA's put more project information on their websites as well as live stream their meetings. For each project from 2016 on, the IDA has posted the project Application, Authorizing Resolution, PILOT, and the Annual Assessment Report. The IDA Executive Director is available to answer any questions that potential clients may have in a timely fashion. The Executive Director reports monthly (and as needed) to the Board members and Chairman on all projects of the Agency. This information is also disseminated by the board and Chairman to the public. The Director also meets with the Glen Cove BID on a monthly basis to ensure all are working together to bring business into Glen Cove and to resolve any problems in this process. In an effort to streamline the IDA process for potential applicants, the IDA adopted the creation of a Transaction Committee to screen applicants and bring only qualified applicants to the board without waiting for the next board meeting. The Committee is comprised of the IDA Chairman, IDA Executive Director and the IDA Attorney. Prospective applicant projects are then brought to the board for approval to take preliminary action such as public hearing, economic impact analysis, etc. In certain circumstances, the IDA Chairman and Executive Director choose to bring preliminary matters to the full IDA Board instead of the Transaction Committee.

The IDA Chairman and Executive Director had discussions with approximately 10 developers throughout 2022. The IDA ensured that materials were available electronically via the website and by email. These preliminary discussions underscore our business-friendly environment as well as provide valuable feedback to encourage projects that are a good fit for the city.

Performance Goal #5: *To cultivate and maintain community trust and engagement by operating in a transparent and easily accessible manner.*

Performance Measurement: The IDA has achieved this goal in 2022 by keeping the residents of Glen Cove informed of ongoing projects and addressing any concerns that they may have during monthly IDA board meetings and/or City Council meetings, ensuring that the IDA website is kept up to date with current information about projects, and by also having public meetings when needed or requested. IDA management is also easily accessible by promoting an open-door policy whereby residents, board members and employees are always welcome to speak to the Executive Director and the Chairman about any concerns or comments they may have. In particular, the staff and IDA counsel has committed to providing more time between public hearings for projects and IDA decision making. As a matter of policy, IDA staff will be providing adequate time (such as weeks) between the distribution of project materials, public hearings and voting on project resolutions by the IDA Board. Both Board and public

comment will be addressed with at least a week of review of the IDA staff and/or applicant responses by the IDA Board before bringing the matter to vote. Livestreams of the IDA meetings and public hearings are available for viewing in accordance with the Open Meetings Law, Executive Order 202.1.

02/09/23 draft af
03-22-23 cb

DRAFT

**Glen Cove Industrial Development Agency
2022 Confidential Evaluation of Board Performance**

Summary: 7 out of 7 members

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	7			
The policies, practices and decisions of the Board are always consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	7			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	7			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	7			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	7			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	7			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	7			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	6			1
Board members demonstrate leadership and vision and work respectfully with each other.	7			
The Board sets clear and measurable performance goals for the Authority that contributes to accomplishing its mission.	7			

Name of Authority: Glen Cove Industrial Development Agency

IDA Mission Statement (Adopted March 10, 2011)

The Glen Cove IDA is authorized to promote, facilitate, and assist in the acquisition, construction, and improvement of industrial, commercial, cultural, and educational facilities that advance economic welfare of the community by job creation, economic activity, and prosperity for the citizens of the City of Glen Cove.

Glen Cove IDA Performance Goals (Adopted March 10, 2011)

- To operate in a fiscally conscientious and responsible manner.
- To continually assess the needs and opportunities of the City's business community, and to strive to apply the Agency's services where they will create the most benefit and economic vitality.
- To meet the economic and sustainability needs of the community through application of various economic incentives and programs.
- To encourage businesses to benefit from IDA programs by clearly communicating the programs available.
- To cultivate and maintain community trust and engagement by operating in a transparent and easily accessible manner.

Revised January 2016

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

9 Glen Street, City Hall, Glen Cove, New York 11542

MINUTES OF MEETING

March 28, 2023

Resolution #7(c)

RESOLUTION OF THE GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE SUBMISSION OF THE AGENCY ANNUAL FINANCIAL REPORT FOR FYE 12-31-22 TO THE NEW YORK STATE AUTHORITIES BUDGET OFFICE

WHEREAS, the Glen Cove Industrial Development Agency Finance Committee met on March 21, 2023 to review the draft preliminary financials for inclusion in the annual report for FYE 2022.

WHEREAS, the Finance Committee hereby recommends submission of the attached 2022 financial report as outlined herein to the New York State Authorities Budget Office (NYS ABO).

NOW, THEREFORE, BE IT RESOLVED that the Glen Cove Industrial Development Agency hereby authorizes the Chief Financial Officer to certify and submit the annual financial report NYS ABO on or before March 31, 2023.

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

	<u>VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Thomas Hopke	<i>ABSENT</i>
Dave Jimenez	AYE

The foregoing Resolution is thereupon declared duly adopted.

GC-IDA
ENTERED
3-28-23
CB

Glen Cove
Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Financial Statements
and Supplementary Information
With Report of Independent Auditors

December 31, 2022

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove)

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	
Statement of Net Position	
Statement of Activities	
Statement of Cash Flows	
Notes to Financial Statements	
Required Supplementary Information	
Other Postemployment Benefits -	
Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios	
New York State and Local Employees' Retirement System:	
Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset)	
Schedule of Contributions	
Other Supplementary Information	
Schedule of Indebtedness – Bonds and Notes	
Schedule of Indebtedness – Straight-Lease Transactions	
Schedule of Payments in Lieu of Taxes	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	



Independent Auditors' Report

**The Board of Directors of the
Glen Cove Industrial Development Agency**
(A Component Unit of the City of Glen Cove, New York)

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Glen Cove Industrial Development Agency ("Agency") (A Component Unit of the City of Glen Cove, New York) as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2022 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Indebtedness - Bonds and Notes, Schedule of Straight-Lease Transactions and the Schedule of Payments in Lieu of Taxes but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
Harrison, New York
_____, 2023

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Major Initiatives – Accomplishments

Waterfront Revitalization Project (Garvies Point)

The IDA closed on the **Waterfront Revitalization Project (Garvies Point)** in November 2016 and continues to work with RXR Glen Isle Partners LLC (RXR) in constructing the Public Amenities and green space for use by the residents of Glen Cove. Phases 1 and 2 of the public amenities are 99% completed including marina, dog park, esplanade, playground, boat ramp, bathrooms, ferry site parking lot pavement. Angler Club docks are now complete as of February 2022. This project will benefit the City of Glen Cove, its residents, and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR as developer of the Garvies Point waterfront destination will create more than 460 direct and indirect jobs per year during construction and will support more than 220 jobs post-completion. There will also be new tax revenues and money infused into the Glen Cove economy. Three residential buildings are being developed during phase I of construction. Building H-rentals (177 units) and Building I-rentals (208 units), also known as Harbor Landing is open for occupancy, with Building H resident move-ins that started during fall 2019. Brendel's Bagels and Building I at Harbor Landing opened in fall 2020. As of 2021, Harbor Landing is fully leased-up. The Building B-condos (167 units known as The Beacon) leasing office opened at the end of 2019, with closings and move-ins which began in early 2020. At the end of 2022, Building B had approximately 71% of the units sold or under contract. In 2021, work on Phase 1 (east of the Ferry Terminal) of the public amenities was substantially completed and opened to the public. The U.S. Army Corp. of Engineers (ACOE) issued its Bulkhead/Marina Permit for the project on August 17, 2018, with subsequent amendments approved in the following years. The old Angler's Club was removed and replaced with a new building in 2019. The Certificate of Occupancy was issued in early 2020, with a ribbon cutting held thereafter. The Angler's Club Marina was completed in 2020; however, installation of the finger docks had been put on hold pending a waiver request for 20 ft docks to the ACOE (granted in 2021). Installation of the longer finger docks was completed in early 2022, with all work at the Angler's club complete as of March 2022. Additional work to stabilize the open cell bulkhead at the Garvies Point Public Marina was completed in 2021, with the final set of docks installed in 2022. Public roadway work in Phase I (Dickson Street, Road F and Road G) is complete and open to the public. Phase 2 (west of the ferry terminal) of the public amenities was completed in 2021 and opened to the public; this includes Road D parking adjacent to the ferry terminal and dog park as well as a public parking lot adjacent to Building B and Garvies Point Park. The Deep Roots Farmer's Market is located in the public parking lot near Building B during the summer months. All of the outside furniture has been installed and the Ecology Pier and playground were completed and opened to the public in 2021. The dog park was previously completed and opened to the public in winter 2021. the entire Phase I and Phase II Waterfront Esplanade was completed and opened to the public by the end of 2021. Both gazebos have been constructed and furnished. The public bathrooms on the west of the ferry terminal and boat attendant building (with public bathrooms) at the terminus of Garvies Point Road were completed and opened to the public in 2021. In February 2022, an agreement between RXR acting as agent to the IDA and Terry Contracting & Materials, Inc. (Terry) was reached to stabilize and reconstruct a portion of bulkhead located on Block J adjacent to the Brewery. In order to accomplish this work, an easement agreement between the current property owner of the bulkhead (47 Herb Hill LCC), RXR and the IDA was executed in July 2022. The four (4) properties that currently make up Block J are the subject of Phase III, the final phase of the public amenities work. As of 2022, RXR has entered into purchase agreements for two (2) of those properties with 47 Herb Hill LLC and Windsor Oil. RXR and Garvies Point Brewery (see below) own the remaining Block J properties. A total of \$71,638,056.83 has been spent on the Public Amenities at the Waterfront, as of December 31, 2022.

The Waterfront Revitalization Project (Garvies Point) reported 81 FTE's in 2022, with 55 retained and 26 created. 131 construction jobs were also reported.

Major Initiatives – Accomplishments

Ferry Terminal

The **Ferry Terminal Building** was completed in December 2015 and full project close-out was completed in 2017 with all grant funding reimbursed. Paving and striping of the Ferry Terminal parking lot was completed in 2021 in coordination with RXR and the public amenities work. The City released an RFP for a Ferry Operator in November 2017. Two respondents submitted proposals. The City of Glen Cove accepted the proposal of Hornblower Metro Ferry LLC with the commencement of service targeted for May 2020. The City requested an extension from FHWA and NYSDOT who were the funding agencies for the project and approval was granted to delay the commencement of ferry service to May 2020, to allow time for the Garvies Point (Phase I), Village Square, and Herb Hill/Garvies Point Road projects to be completed reducing the hazardous construction conditions that would be at and around the ferry terminal site. A detailed action plan with milestones to achieve this goal was developed in 2018 and approved for implementation by the FHWA and NYSDOT during 2019. The IDA assisted the City in the RFP process for operator and the City entered into a letter of intent to contract with Hornblower Metro Ferry, LLC in January 2020. However, due to the Covid-19 pandemic, the NYSDOT and FHWA have agreed to an indefinite postponement of the City's commuter ferry service at this time. The City entered into a one-year agreement with Eastern Star Dinner/Event Cruises in May 2019 for a one-year term at an annual cost of \$15,000.00, with subsequent extensions negotiated by the City. In fall 2022, the City/IDA in partnership with Hornblower released a public survey. This survey will help the City of Glen Cove gain a better understanding of the prospective ridership of a commuter ferry service from Glen Cove to Manhattan given workplace restrictions being lifted. As of the end of 2022, approximately 1,500 survey responses have been received. The City has continued discussions on the future use of the ferry terminal site with USDOT and NYSDOT both directly and through its local elected officials.

Herb Hill/Garvies Point Road Reconstruction

The **Herb Hill/Garvies Point Road Reconstruction** contract was awarded in January 2017. The team worked with NYSDEC to develop an Excavation Work Plan (EWP) approved by NYSDEC in early November 2017. In 2019, substantial work (approximately 80%) was completed on the project, including the installation of underground utilities (sewer, water, drainage, telecommunications) from the terminus at the west end of Garvies Point Road to near the Slant Fin property. The installation of a temporary bypass at the intersection of Herb Hill Rd., Garvies Point Rd. and Dickson St. was also completed by RXR to facilitate work on the project in 2019. As of late spring 2020, the project was fully completed, transforming the one mile, degraded and inadequate roadway into a corridor for the Waterfront, with new pedestrian sidewalks; sanitary sewer, water, telecommunications, electrical utilities; and stormwater management infrastructure. In addition, the roadway was elevated, with utilities relocated underground, providing resiliency measures for major storm events. Funding for the road project will be provided by NYSDOT, \$6.5 million and \$2.5 million by Empire State Development. The balance of the funding will be paid from bond proceeds totaling \$15,942,847 for the road. Due to escalation caused by project delays and cost increases resulting from the requirements imposed by the NYSDEC and water management issues, the City worked with the IDA, GCLEAC, and RXR to make up to approximately \$13.7M available from the Public Amenities account to the City account for the Road project, as needed. This was memorialized in several agreements executed between the parties, including the First Amendment to the Trust Indenture, PIF Agreement, and Road Agreement. As of the end of 2022, approximately \$7,534,194 was transferred to the City account from the Public Amenities account for the road. Approximately \$30,332,233 has been spent on the road construction (including professional fees). As of the end of 2022, approximately \$6,847, 986 has been reimbursed by NYSDOT for the project (full reimbursement). During 2021, ESD Board approval for the grant reimbursement was received; the Grant Disbursement Agreement was reviewed and executed; and the CDA responded to numerous ESD audit requests. The full \$2,500,000 grant reimbursement from ESD was received in December 2021 closing out the grant. The CDA received approval for all project close-out materials for NYSDOT submitted in

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Major Initiatives – Accomplishments

2021. Final construction payment issues were resolved and the CDA received the final payment of \$425,468 from NYSDOT on 11/2/22. NYSDOT project close-out is complete. The project is closed with the City pending NYSDEC fees received on 11/4/22. The CDA/City is in the process of disputing these fees.

Village Square

The IDA closed on the **Village Square property** with RXR Glen Cove Village Square Owner LLC, in December 2017 and received administrative fees of \$309,736. This 2.5-acre, five story, mixed use project is located in the Downtown Business Improvement District (BID) and centered on a large public plaza, which will help revitalize the downtown area by creating approximately 146 residential rental housing units, including 13 workforce units, approximately 15,000 square feet of commercial space and, including approximately 1,900 square feet of medical office space and 171 parking spaces on site. The IDA estimates 15-25 full time jobs will be created from this project as well as 100-150 construction jobs. The City also received a PILOP fee for \$207K. The parking lease agreement entails that RXR rent at least 25 spaces per month in the Brewster Street Garage for \$65 per month and allows up to 75 spots for residents in the garage based on demand. The project began in August of 2017, with RXR starting the demolition of the buildings on the property. Construction continued in 2019 with the majority of vertical and façade work completed. The large public plaza was also substantially completed in 2019. Construction concluded in 2020 with a ribbon cutting held in October of 2020. Additionally, a lottery for the 13 affordable units was held in June of 2020 with the support of the Long Island Housing Partnership. Pre-leasing began in summer 2020, with full lease-up of the residential units in 2021; demand for the units is high. In December 2020, the City and RXR held a dedication ceremony for the public plaza. In 2021, the BID hosted the Downtown Sounds summer musical series in the plaza, with nearby restaurants participating in outdoor dining opportunities. In 2021, the plaza and retail space continued to host the Deep Roots Farmers Market, tree lighting, and Winter Festival during the winter months. During 2021, RXR executed a lease with Chase; Chase relocated their former retail branch on Forest Avenue to a space in the ground floor retail of Village Square. In 2022, ground level retail occupancy by a Mexican eatery and smoothie shop, both with anticipated outdoor seating was approved by the Planning Board. In addition, Trubee Hill (gift shop) opened in Village Square. A boxing studio and pharmacy are also anticipated to open in 2023. The IDA has reviewed and received copies of all executed retail ground leases. According to RXR, all available retail space at the Village Square has been leased. Village Square reported 20 Full Time Equivalent jobs in 2022 with 10 jobs retained and 10 jobs created.

The Regency

In 2014, the City created a new corporation the **Glen Cove Local Economic Assistance Corporation**, (“GCLEAC”) to assist the National Healthplex, (d/b/a “**The Regency at Glen Cove**”) The ability to refinance their debt has allowed the Regency to: a) increase the assisted living unit count by three units from 96 to 99 units; b) create additional common space and other aesthetic and functional improvements within the building; c) improve the School Street façade and construct a new 22 memory care unit (making the total unit count 121). The improvements should significantly enhance the quality of life for the residents. This project began construction in May 2016 and will create 16 new full-time jobs as well as 11 construction phase jobs. The construction of the Alzheimer’s units was completed in late 2019 and produced 752 full time equivalent construction and construction related jobs. The Ribbon cutting for the newly named Safe Harbor took place on January 30, 2020. The Regency reported 69 Full Time Equivalent (FTE’s) jobs in 2022.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Statement of Net Position
December 31, 2022

ASSETS	
Cash and equivalents	\$ 59,733
Investments	820,530
Accounts receivable	29,367
Net pension asset	33,483
	<u>33,483</u>
Total Current Assets	<u>946,043</u>
Non-current assets	
Land held for sale / resale	31,650
Restricted cash	17,920
Capital assets being depreciated, net	1,888
	<u>1,888</u>
Total Non-Current Assets	<u>51,458</u>
Total Assets	<u>997,501</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	71,215
OPEB related	192,213
	<u>192,213</u>
Total Deferred Outflows of Resources	<u>263,428</u>
LIABILITIES	
Accounts payable	63,040
Accrued expenses	8,000
Compensated absences	2,000
Capital lease payable	391
Non-current liabilities	
Escrow deposits	17,920
Compensated absences	19,363
Due to the City of Glen Cove Community Development Agency (CDA)	943,541
Other post employment benefit liability	892,331
	<u>892,331</u>
Total Liabilities	<u>1,946,586</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	124,902
OPEB related	352,440
Deferred revenue	8,000
	<u>8,000</u>
Total Deferred Inflows of Resources	<u>485,342</u>
NET POSITION	
Net investment in capital assets	391
Unrestricted	(1,171,390)
	<u>(1,171,390)</u>
Total Net Position	<u>\$ (1,170,999)</u>

See notes to financial statements.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Statement of Revenue, Expenses and Change in Net Position
Year Ended December 31, 2022

OPERATING REVENUES

Fees and other revenue \$ 198,739

OPERATING EXPENSES

Salaries and benefits 213,724
Contractual expenses 168,753
Depreciation 1,508
Redevelopment costs not recoverable 2,963

Total Operating Expenses 386,948

Loss from Operations (188,209)

NON-OPERATING REVENUES

Interest income 3,594

Change in Net Position (184,615)

NET POSITION

Beginning of Year (986,384)

End of Year \$ (1,170,999)

See notes to financial statements.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Statement of Cash Flows
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from fees for services and other revenue	\$ 207,035
Cash paid for salaries and benefits	(187,524)
Cash paid for contractual costs	(159,938)
Cash paid for redevelopment costs not recoverable	(2,963)
	<u>(143,390)</u>
Net Cash from Operating Activities	(143,390)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payment on capital leases	(1,104)
	<u>(1,104)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	3,594
Purchase of investments	(1,711,534)
Sale of investments	1,408,176
	<u>1,408,176</u>
Net Cash from Investing Activities	(299,764)
Net Change in Cash and Equivalents	(444,258)
CASH AND EQUIVALENTS	
Beginning of year	521,911
	<u>521,911</u>
End of year	<u>\$ 77,653</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and equivalents	\$ 59,733
Restricted cash	17,920
	<u>17,920</u>
Total Cash and Equivalents	<u>\$ 77,653</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (188,209)
Adjustments to reconcile income (loss) from operations to net cash from operating activities	
Depreciation	1,508
Accounts receivable	21,296
Prepaid expenses	993
Net pension asset	(33,483)
Deferred outflows of resources - pension	39,634
Deferred outflows of resources - OPEB	(5,468)
Accounts payable	10,803
Accrued expenses	(2,981)
Compensated absences	1,529
Other post employment benefit liability	(168,708)
Net pension liability	(468)
Due to the City of Glen Cove Community Development Agency (CDA)	(7,302)
Deferred inflows of resources - pension	(17,553)
Deferred inflows of resources - OPEB	218,019
Deferred inflows of resources - deferred revenue	(13,000)
	<u>(13,000)</u>
Net Cash from Operating Activities	<u>\$ (143,390)</u>

See notes to financial statements.

Major Initiatives – Accomplishments

Fairfield Glen Cove South Owner LLC (formerly Avalon South)

The IDA Board approved the assignment and transfer of the Avalon South PILOT and related documents to Fairfield Glen Cove South Owner LLC in June 2021. IDA staff conducted an on-site visit of the Fairfield South property in October 2021 and a follow up visit was made in November 2022.

Breton Hills

In July 2021, the IDA closed on the **Breton Hills property** with Arcadia Landing LLC. The IDA Board approved sales tax exemptions for the project in April 2020. Breton Hills is comprised of 72 age-restricted residential units. In January 2022, the developer of Breton Hills, Arcadia Landing LCC applied for and was granted a sales tax extension until the end of 2022 by the IDA Board.

135 Glen Cove Avenue Corp (The Villas)

The IDA closed on the property known as **The Villas** with 135 Glen Cove Avenue Corp. in December 2021 and received administrative fees of \$421,238. The project will consist of 6 residential buildings of 176 units aggregating 353,394 sq. ft. of space. 16 of those residential units will be affordable. The IDA Board had approved sales and mortgage recording tax exemptions for the project, in addition to a 10-year PILOT, with an option for the PILOT to be extended to 12 years if the following conditions are met: (a) at least 30% of the employees engaged by the Company in the construction of the project are Glen Cove residents earning a prevailing wage; and (b) the Company has made a good faith effort to fill the anticipated 6 FTEs after completion of the project with Glen Cove residents. In January 2022, the IDA Board granted a consent to the developer to transfer a minority of ownership interest to MATT Glen Cove LLC. Subsequently, the developer returned to the IDA Board in July 2022 to request consent to transfer a minority of ownership interests in the project to MATT Glen Cove LCC and Glen Cove VM Holdings, LCC managed by Manoj Narang. The IDA paperwork related to the transfer to Glen Cove VM Holdings is in-progress. 135 Glen Cove Avenue Corp reported 3 construction jobs in 2022.

Garvies Point Brewery

In April 2020, the IDA Board approved the addition of the **Garvies Point Brewery** as part of the RXR Garvies Point project at the Waterfront, along with modifications to the original Marina Building #1. RXR sought to activate the east end of the project and public amenities with the addition of the Brewery, with indoor and outdoor dining space, which relocates an existing Waterfront business looking to expand operations to another location across the road. As of summer 2022, the Brewery was 99% complete and open for business. A small portion of Esplanade behind the Brewery patio was also completed.

The Brewery building will retain the office space and public restrooms that were envisioned for the original marina building. At this time, the IDA Board also appointed the Garvies Point Master Association, Inc. (HOA) to an initial five-year term to oversee and manage the maintenance of the Public Use Easement Areas and Public Improvements. This requires the HOA to enter into a Maintenance Agreement with the IDA. The Public Use Improvements Maintenance Agreement between the IDA and the HOA was executed 3/31/2022. In addition, the aforementioned item was memorialized in the **Second Amendment to the Garvies Point Continuing Covenants Agreement** dated 3/24/2022. Finally, the IDA and the HOA entered into an agreement on 4/15/22 under which the HOA managed the operations of the Garvies Point Public Marina comprised of 47 boat slips during the 2022 summer boating season at no cost to the IDA. The IDA plans to procure a Public Marina Operator in 2023.

Major Initiatives – Accomplishments

PUD Amendment

In September 2020, the IDA Board granted an extension of the sales tax benefit at Garvies Point to RXR, consistent with a **PUD Amendment** RXR is seeking approval of from the Planning Board and an updated construction timetable. The IDA Board also consented to RXR's application to the Planning Board for the PUD Amendment and noted special considerations for the Planning Board in their review within the approving resolution. In August 2022, the Planning Board approved the PUD Amendment with conditions. Subsequently, RXR submitted an application to the IDA requesting PILOT for 72 additional units, consistent with the PUD Amendment approved by the Planning Board. As of late December 2022, RXR withdrew its IDA application and informed IDA staff that it would be pursuing an alternative plan for the remaining development.

Georgica Green Ventures LLC

In August 2020, the IDA granted sales and mortgage tax exemptions to the **Georgica Green Ventures LLC** affordable housing project at Garvies Point. This project will provide 55 units of affordable rental housing to the City at the Waterfront. In 2019, the IDA Board consented to the transfer of Block G (part of Garvies Point) from RXR to Georgica Green. The closing on the property occurred in 2021 following IDA Board approval of a PILOT extension. Construction of this 100% affordable rental housing consisting of 55 units will near completion Spring/Summer 2022. Lottery will be undertaken once construction is 75% complete. 40 units at 60% AMI; 6 units at 100% AMI and 8 units reserved for Section 8 Project Based. Georgica Green Ventures reported 51 construction jobs in 2022.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Organization and Purpose

The Glen Cove Industrial Development Agency ("Agency") was created by a special act of the New York State Legislature on May 17, 1974. Under the provisions of Chapter 374 of the 1974 Laws of New York State, the purpose of the Agency is to encourage economic growth in the City of Glen Cove (the "City"). The Agency is exempt from federal, state and local income taxes. The Agency's principal activity and source of revenue has been the issuance of Industrial and Civic Revenue Bonds and Straight Lease Agreements. The fees received from the issuance of the bonds and straight lease agreements have been expended for legal services, the development of the Glen Cove Waterfront, and infrastructure.

The City exercises oversight responsibility over the Agency. As such, the Agency is a component unit of the City. The following criteria regarding the manifestation of oversight were considered by the Agency in its evaluation of the Agency activities:

Financial interdependency - The Agency is responsible for its debts and is entitled to surpluses. The City is not responsible for the Agency's debt or entitled to surplus. The Agency does not receive financial benefit nor does it impose financial burden on the City with the exception that the IDA is covered against personal injury, workers' compensation and other risks under the City's self-insurance program.

Appointment of Government Authority -the City, the primary government, appoints all members of the organization's governing body, the Board of Directors. The governing board is exclusively responsible for all decisions.

Appointment of management - The officers of the Agency are appointed by the Board of Directors. The activities under the purview of management are within the scope of the reporting entity and management is responsible to the Board of Directors.

The ability to significantly influence operations - The City can significantly influence the Agency's operations. This authority includes, but is not limited to, adoption of program budgets, control over assets, including facilities and properties, short term borrowing, signing contracts, and developing new programs.

Accountability for fiscal matters - The responsibility and accountability over the Agency's fund is vested in the Agency's management and Board of Directors.

Financial Reporting Entity

The Agency has been identified as a component unit of the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, "*The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*", the Agency's financial statements have been discretely presented in the City's financial statements.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency uses an enterprise fund (proprietary fund) to account for its activities. The measurement focus of the proprietary fund is the flow of economic resources. With this measurement focus, all assets and liabilities associated with the operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

As a proprietary fund, the Agency uses the accrual basis of accounting, and economic resources measurement focus. Under this method, revenues are recognized when earned and expenses are recognized when incurred. The Agency's unbilled receivables are recognized as revenues at year-end.

The Agency distinguishes operating revenues and expenses from non-operating items. The Operating transactions are those other than capital and related financing activities, noncapital financing activities, investing activities and non-exchange revenues. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principal operating revenues of the Agency are administrative fees charged by the Agency and reimbursement of operating expenses. Operating expenses include salaries and benefits, contractual expenses, depreciation and redevelopment costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

Collateral is required for these deposits at 102% of all deposits not covered by Federal deposit insurance. The Agency has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The Agency's deposit and investment policies are governed by State statutes. The Agency has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposits, time deposit accounts and certificates of deposit.

The Agency follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments consist of certificate of deposit accounts with initial maturities of greater than three months.

The Agency was invested only in the above mentioned obligations and, accordingly, was not exposed to significant interest rate or credit risk.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the entity will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40, "Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Agency's investment policy limits the amount on deposit at each of its banking institutions.

Accounts Receivable

Accounts receivable balances are reflected net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Agency's best estimate of the probable losses in the existing accounts receivable balance. The Agency did not have any doubtful accounts at December 31, 2022.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Capital Assets

As a proprietary fund, the capital assets and long-term liabilities of the Agency are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activities are included in net position. As a proprietary fund, the operating statements of the Agency present increases (revenues) and decreases (expenses) in net position.

Capital assets acquired by the Agency are stated at cost (or estimated historical cost) including interest capitalized during construction, where applicable. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. There are no reversionary interests by the grantor in any of the assets, the date of donation in the case of gifts. The Agency capitalizes assets whose cost exceeds \$500.

Depreciation of all exhaustible fixed assets used by the Agency is charged as an expense against its operations. Accumulated depreciation is reported in net position. Depreciation is provided over the estimated useful lives of the assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3-5 years for equipment.

The Agency's measurement focus on income determination and capital maintenance requires the net amount of interest cost for qualifying assets to be capitalized during the period of construction. The Agency has capitalized the interest expenses related to amounts owed for the Waterfront Development Project. These were considered in connection with the evaluation of the impairment of the property.

Land held for Sale/Resale

The Agency may acquire properties to redevelop and resell. The property values will be carried at the lower cost or estimated realizable value. Properties are periodically reviewed or appraised for impairment and the carrying values are adjusted as necessary.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Agency has reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the statement of net position. These amounts are detailed in the discussion of the Agency's pension and other postemployment benefit liabilities in Note 4.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities

In the statement of net position, long-term debt and other long-term obligations are reported as liabilities.

Net Pension Liability (Asset)

The net pension liability represents the Agency's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68."

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Agency provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the Statement of Net Position as current and long-term liabilities. The liability for compensated absences includes salary related payments, where applicable.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Application of Restricted and Unrestricted Resources

In order to calculate the amounts to report as restricted and unrestricted fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expense incurred, it is the Agency's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Agency's policy to use fund balance in the following order: committed, assigned and unassigned.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is _____, 2023.

New Accounting Pronouncement

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the Agency's fiscal year ended December 31, 2022. The Agency has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 3 - Land Held for Sale / Resale

The IDA owns a parking lot and an area located between the RXR Village Square and the post office which is maintained by the City. The carrying value of this asset is \$31,650 as of December 31, 2022.

On November 22, 2016, the IDA sold the Waterfront Properties to RXR Glen Isle Partners, LLC for the Purchase price of \$15M less advances of \$2,401,048 and a receivable of \$2.36M, for net cash received of \$10,238,952. These funds were used to repay the debt owed by the IDA and the Glen Cove Community Development Agency ("CDA"), to the Housing and Urban Development ("HUD"), Environmental Protection Agency ("EPA"), Nassau County and the City. The IDA also entered into a Master Tax Agreement, PILOT, with the Redeveloper and received an administrative fee of \$10M.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Land Held for Sale / Resale (Continued)

On November 22, 2016, the IDA and the Glen Cove Local Economic Assistance Corporation ("Corporation") entered into a Loan Agreement, whereby the IDA borrowed \$124,562,833 from the Corporation. These funds were raised from a Public Bond Offering of the Corporation, and are being used by the IDA to fund its infrastructure and public amenities obligations, related to the Garvies Point Project. The repayment of the bonds is from the PILOT payments on the property, by the property owners. These Bonds are non-recourse to the City and its Agencies, and are treated as conduit debt by the IDA. After closing, in November 2016, the amount of \$122,515,088, (\$124,562,833 less OID of \$2,047,745) was deposited into Bank of NY Mellon.

During the year ended December 31, 2022, the Trustee made interest payments in aggregate of \$1,467,734. The outstanding balance of the conduit debt obligations totaled \$159,995,576 at December 31, 2022.

Note 4 - Long-Term Liabilities

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Compensated absences	\$ 19,834	\$ 3,512	\$ 1,983	\$ 21,363	\$ 2,000
Net pension liability	468	-	468	-	-
Capital lease payable	1,495	-	1,104	391	391
Other post employment benefit obligations payable	1,061,039	128,597	297,305	892,331	-
Long-Term Liabilities	<u>\$ 1,082,836</u>	<u>\$ 132,109</u>	<u>\$ 300,860</u>	<u>\$ 914,085</u>	<u>\$ 2,391</u>

Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred. At December 31, 2022, the Agency had a deferred compensation liability for accumulated unpaid vacation and sick pay of \$21,363.

Pension Plans

Employee's Retirement System

The Agency participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute

Glen Cove Industrial Development Agency
 (A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
 December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31. The employer contribution rates for the plan’s year ending in 2022 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	18.0 %
6 A15	10.5

At December 31, 2022, the Agency reported the following for its proportionate share of the net pension liability for ERS:

Measurement date	March 31, 2022
Net pension asset	\$ 33,483
Agency's proportion of the net pension asset	0.0004096 %
Change in proportion since the prior measurement date	(0.0000606) %

The net pension liability was measured as of March 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2022, the Agency recognized its proportionate pension expense of (\$3,641).

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

At December 31, 2022, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,536	\$ 3,289
Changes of assumptions	55,878	942
Net difference between projected and actual earnings on pension plan investments	-	109,642
Changes in proportion and differences between Agency contributions and proportionate share of contributions	4,012	11,029
Agency contributions subsequent to the measurement date	<u>8,789</u>	<u>-</u>
	<u>\$ 71,215</u>	<u>\$ 124,902</u>

\$8,789 reported as deferred outflows of resources related to ERS resulting from the Agency's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2023	\$ (9,434)
2024	(14,984)
2025	(30,369)
2026	(7,689)
2027	-
Thereafter	<u>-</u>
	<u>\$ (62,476)</u>

The total pension liability for the March 31, 2022 measurement date was determined by using an actuarial valuation as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Investment rate of return	5.9%
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	-
Cash	1	(1.00)
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 86,184</u>	<u>\$ 33,483</u>	<u>\$ (133,578)</u>

The components of the collective net pension liability of ERS as of the March 31, 2022 measurement date were as follows:

	<u>ERS</u>
Total pension liability	\$ 223,874,888,000
Fiduciary net position	<u>232,049,473,000</u>
Employers' net pension liability	<u>\$ (8,174,585,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the ERS's fiscal year, which is March 31st. Retirement contributions as of December 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2022 were \$8,789.

Voluntary Defined Contribution Plan

The Agency can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Agency will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Glen Cove Industrial Development Agency
 (A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
 December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

Capital Lease Payable

The Agency has entered into various agreements to lease certain equipment originally recorded at \$4,694. The terms of the agreements provide options to purchase the equipment at any time during the lease period. Maturities on these leases range through 2023. The leases meet the criteria of capital leases as defined by GASB guidance. The balance due at December 31, 2022 was \$391.

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the Agency provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Agency may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Agency and the retired employee as noted below. Substantially all of the Agency's employees may become eligible for those benefits if they reach normal retirement age while working for the Agency. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2022, the following employees were covered by the benefit terms:

Active employees	7
Retired Employees	<u>7</u>
	<u><u>14</u></u>

The Agency's total OPEB liability of \$892,331 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.30%
Salary increases	3.30%
Discount rate	4.31%
Healthcare cost trend rates	5.5% for 2022, decreasing by up to .5% per year to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	Varies depending on applicable retirement year and bargaining unit

The discount rate was based on the 20-year Municipal Bond Rate.

Mortality rates were based on June 2013 Society of Actuaries Study entitled “Health Care Costs – From Birth to Death”.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

The actuarial assumptions used in the December 31, 2022 valuation for turnover and retirement for ERS was based on the April 1, 2015 to March 31, 2020 experience study released by the Retirement Systems Actuary and published in their August 2020 report.

The Agency's change in the total OPEB liability for the year ended December 31, 2022 is as follows:

	<u>Governmental Activities</u>
Total OPEB Liability - Beginning of Year	\$ 1,061,039
Service cost	66,855
Interest	24,921
Changes of benefit terms	-
Differences between expected and actual experience	36,821
Changes in assumptions or other inputs	(263,585)
Benefit payments	<u>(33,720)</u>
Total OPEB Liability - End of Year	<u>\$ 892,331</u>

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

	<u>1% Decrease (3.31%)</u>	<u>Current Discount Rate (4.31%)</u>	<u>1% Increase (5.31%)</u>
Total OPEB Liability	<u>\$ 1,030,459</u>	<u>\$ 892,331</u>	<u>\$ 781,384</u>

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.5% decreasing to 3.5%) or 1 percentage point higher (6.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (4.5% decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (5.5% decreasing to 4.5%)</u>	<u>1% Increase (6.5% decreasing to 5.5%)</u>
Total OPEB Liability	<u>\$ 750,883</u>	<u>\$ 892,331</u>	<u>\$ 1,075,326</u>

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2022

Note 4 - Long-Term Liabilities (Continued)

For the year ended December 31, 2022, the Agency recognized OPEB expense of \$71,698. At December 31, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
\$	137,471	\$	317,740
	<u>54,742</u>		<u>34,700</u>
<u>\$</u>	<u>192,213</u>	<u>\$</u>	<u>352,440</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	
2023	\$ (19,364)
2024	(19,364)
2025	(25,146)
2026	(18,931)
2027	(18,931)
Thereafter	<u>(58,491)</u>
	<u>\$ (160,227)</u>

Note 5 - Related Parties

During 2004, the City, CDA and IDA entered a Tri-party Municipal Cooperation Agreement, regarding sharing of resources between the City and the Agencies.

As of December 31, 2022, \$931,822 was due to the CDA for the Waterfront Development expenses financed by the CDA's Community Development Block Grant and other grants.

Administrative Fee

The operations of the Glen Cove Local Economic Assistance Corporation are administered by the Agency. A fee amounting to \$2,000 was paid by the Agency for the services provided in 2022.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Concluded)
December 31, 2022

Note 6 - Commitments and Contingencies

Litigation

In the normal course of business there are a number of actions against the Agency that involve personal injury and/or contractual disputes between the plaintiff's and the project beneficiary. In each case, the Agency has been indemnified by the project beneficiary and, in the opinion of the Agency's management, the project beneficiary has insurance in place to mitigate any losses that may ultimately result from the resolution of such litigation. While the Agency has been named in many of these actions, in the opinion of management based on consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

Note 7 - Risk Management

The Agency purchases conventional insurance coverage for directors and officers liability and employment practices liability in the combined form. The current policy reflects a combined limit of \$2 million per occurrence or \$2 million for the period of the policy.

Note 8 - Recently Issued GASB Pronouncements

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Agency believes will most impact its financial statements. The Agency will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Glen Cove
Industrial Development Agency
(A Component Unit of the City of Glen Cove)

Other Supplementary Information

December 31, 2022

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Required Supplementary Information - Schedule of Changes in the
City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 66,855	\$ 62,362	\$ 43,868	\$ 39,114	\$ 38,115
Interest	24,921	21,029	30,026	28,336	23,020
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	36,821	-	(17,726)	-	-
Changes of assumptions or other inputs *	(263,585) (4)	(57,620)	158,662	187,725	(53,759)
Benefit payments	<u>(33,720)</u>	<u>(30,807)</u>	<u>(29,321)</u>	<u>(28,082)</u>	<u>(23,542)</u>
Net Change in Total OPEB Liability	(168,708)	(5,036)	185,509	227,093	(16,166)
Total OPEB Liability – Beginning of Year	<u>1,061,039</u>	<u>1,066,075</u>	<u>880,566</u>	<u>653,473</u>	<u>669,639 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 892,331</u>	<u>\$ 1,061,039</u>	<u>\$ 1,066,075</u>	<u>\$ 880,566</u>	<u>\$ 653,473</u>
City's covered-employee payroll	<u>\$ 124,377</u>	<u>\$ 120,940</u>	<u>\$ 113,768</u>	<u>\$ 116,109</u>	<u>\$ 88,803</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>717.44%</u>	<u>877.33%</u>	<u>937.06%</u>	<u>758.40%</u>	<u>735.87%</u>
* Discount Rate	<u>4.31%</u>	<u>2.25%</u>	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

Notes to Schedule:

- (1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.
- (3) Restated for the implementation of the provisions of GASB Statement No. 75.
- (4) Decrease in liability is due to change in discount rate since the prior year reporting.

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset)(2)									
	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015	
Agency's proportion of the net pension liability (asset)	0.0004096%	0.0004702%	0.0004465%	0.0004801%	0.0002401%	0.0002710%	0.0002276%	0.0001230%	
Agency's proportionate share of the net pension liability (asset)	\$ (33,483)	\$ 468	\$ 118,230	\$ 34,018	\$ 3,465	\$ 18,926	\$ 36,534	\$ 11,629	
Agency's covered payroll	\$ 86,137	\$ 116,270	\$ 117,776	\$ 117,399	\$ 45,574	\$ 70,647	\$ 55,390	\$ 88,566	
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(38.87%)	0.40%	100.39%	28.98%	7.60%	26.79%	65.96%	13.13%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%	

Schedule of Contributions

	2021	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 15,693	\$ 15,457	\$ 16,186	\$ 15,688	\$ 13,664	\$ 12,038	\$ 7,028	\$ 10,749
Contributions in relation to the contractually required contribution	(15,693)	(15,457)	(16,186)	(15,688)	(13,664)	(12,038)	(7,028)	(10,749)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 86,310	\$ 116,270	\$ 117,776	\$ 117,399	\$ 45,574	\$ 70,647	\$ 55,390	\$ 88,566
Contributions as a percentage of covered payroll	18.18%	13.29%	13.74%	13.36%	29.98%	17.04%	12.69%	12.14%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the Agency's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses, and by a decrease in the discount rate from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(4) Decrease in the Agency's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

OTHER SUPPLEMENTARY INFORMATION



The following are not required supplementary information (RSI), under the accounting principles generally accepted in the United States of America and are provided for the purpose of additional analysis as required by required for statutory filing, under State of New York General Municipal Law 859.

This other supplementary information is provided to meet the General Municipal Law 859, the disclosures regarding the Agency's Straight-lease and industrial and civic facilities revenue bonds and notes projects.

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
OTHER SUPPLEMENTARY INFORMATION**

Certain industrial development revenue bonds issued by the Agency are secured by property, which is leased to companies and is retired by lease payments. The bonds are not obligations of the Agency, City or State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts. Its primary function is to arrange financing between the borrowing companies and the bond and note holders. Trustees or banks acting as fiscal agents control funds arising from these transactions.

The Agency receives bond administration fees from the borrowing companies for providing this service. Such administrative fee income is recognized immediately upon the issuance of the bonds and notes.

National Healthplex (Glen Cove Regency) - Bonds

The 1992 Series A Bonds, Series B Bonds and the Series B Note, were defeased when the Regency reorganized its debt on April 19, 2016. The Glen Cove Local Economic Assistance Corporation issued \$24M of Tax Exempt Bonds and The Regency also received a \$15.5M loan from Municipal Capital Appreciation Partners III (VA), L.P. for a new Alzheimer unit.

On December 15, 2013, the IDA entered into a PILOT agreement with the Regency (Project code 2801-13-02). The term is for 40 years beginning in 2014 and expires December 31, 2049. The IDA received an admin fee of \$118,750. The total projects costs are \$15,500,000 for a new Alzheimer unit which was to be completed in May 2019. In 2016, the Regency paid an additional admin fee \$150,000 for an extension of the PILOT to run concurrently with the bond issuance. The Regency paid a total PILOT of \$459,302 in 2022 and reported 69 FTEs. The corporate address for the National Healthplex is 94 School Street, Glen Cove, NY 11542.

The following chart depicts the PILOT payments and tax exemptions for 2022:

PAYMENTS MADE BY THE GC REGENCY		
	<u>PILOT</u>	<u>Exemptions</u>
County	58,204	68,850
Local	116,606	137,935
School	<u>284,492</u>	<u>336,530</u>
Total	459,302	543,315

STRAIGHT LEASE AGREEMENTS

A. Avalon Bay Communities, Inc.

In November 2001, the IDA and Avalon Bay Communities, Inc. (the "Company") entered a straight lease agreement (Code Number 2801- 01-01). Through the lease agreement, the Agency takes title to the property and the machinery and equipment and provides property and sales tax relief to the Company. Under the lease contract, the Company agreed to acquire an approximately 3.5 acre site located at Pratt Boulevard, in the City to construct an approximately 333,000 square foot luxury rental building together with 188,000 square foot enclosed parking facility. The IDA agreed to buy the building from the Company and lease it back to the Company. Thus, the Company was exempt from sales and use taxes, real property transfer taxes, and real estate taxes. The Company agreed to make payments in lieu of taxes.

The cost of the planning, development, acquisition, construction, and installation of the project facilities is estimated to be about \$50,170,000. The Company paid an administrative fee of \$303,000 to the IDA.

As a part of the agreement, the Company, purchased from the City a property located at Glen Street, Phase II, for \$1,100,000 and paid an option premium of \$900,000. The Company has exercised the option. Nonpayment of fees constitutes default under the agreement.

In June 2003, Avalon Bay Communities, Inc. exercised its option and purchased the Glen Street Parcel for \$2,000,000, (2801-06-1). Avalon Bay had already paid \$900,000 and agreed to pay the balance by December 31, 2003. It was further agreed that:

1. The construction plan had to be completed by March 30, 2004; construction had to commence by October 1, 2004 and be completed by June 30, 2006.
2. All building permits and other fees had to be paid by the later of June 1, 2004 or ten days after the invoices are submitted.
3. Payment in lieu of taxes began on January 1, 2006.
4. In lieu of \$50,000 payment required by the Preliminary Agreement, Avalon Bay shall pay the IDA, \$107,224. The Agency will use these funds in cooperation with the City to upgrade Pratt Boulevard Municipal Parking lot.

In 2022, the payments made by Fairfield and the amount of tax exemptions were as follows:

PAYMENTS MADE BY Fairfield Glen Cove South

	<u>PILOT</u>	<u>Exemptions</u>
County	61,653	107,366
Local	483,990	842,847
School	<u>1,202,045</u>	<u>2,093,304</u>
Total	<u>\$ 1,747,688</u>	<u>\$ 3,043,517</u>

Please note that while the original estimate of jobs to be created for Avalon North and Avalon South is listed on the PARIS system as 14 and 20 respectfully, the correct number of jobs per Avalon's agreements with the IDA are 6 for Avalon North and 8 for Avalon South.

The original FTE information listed in PARIS is unable to be changed. The corporate address for Fairfield Glen Cove South LLC is 538 Broadhollow Road, Melville, New York 11747.

The IDA Board approved the assignment and transfer of the Avalon South PILOT and related documents to Fairfield Glen Cove South Owner LLC in June 2021. PILOT Payments of \$1,747,688 were paid in 2022. IDA staff conducted an on- site visit of the Fairfield South property in October 2022. In 2022, 13 total FTEs were reported, with 8 retained and 5 FTE's created.

B. Men on the Move – Glen Cove Storage, LLC (“MOTM”) PHR Glen Cove Storage, LLC

On August 1, 2011, the IDA entered into a straight Lease Agreement, (“Pilot Agreement”) with MOTM Code # (2801-11-01), regarding the property located at 88-90 Hazel Street, City of Glen Cove. The total cost of the project was approximately \$7,553,000. MOTM/PRGC is required by the contract to create at least 3 new full- time jobs within one year after the scheduled completion date and maintain these jobs throughout the term of the lease. The IDA collects a \$1,000 annual admin fee from MOTM/PRGC. MOTM paid an administrative fee of \$60,148 to the IDA. The PILOT commenced in the tax year 2012-2013 and will last for 10 years. In December 2013, MOTM sold to PR Glen Cove Storage LLC, (“PRGC”) Code #(2801-13-01). The IDA received an admin fee of \$70,375. PRGC beginning in 2014 and are also required to employ 3 full time equivalents. The received an admin fee of \$70,375. PRGC beginning in 2014 and are also required to employ 3 full time equivalents. The total purchase price was \$18,100,000.

PRGC in is required under the lease contract and payments in lieu of taxes agreement to make the following future real property taxes payments. PRGC paid a PILOT payment of \$338,489 in 2022 and reported 4 FTEs. PRGC's corporate address is c/o Self Storage Management, LLC, 3050 Peachtree Road NW, Suite 300, Atlanta GA 30305.

PAYMENTS MADE BY GC STORAGE

	<u>PILOT</u>	<u>Exemptions</u>
County	\$16,599	\$29,198
Local	90,005	158,322
School	<u>231,885</u>	<u>407,891</u>
Total	<u>\$338,489</u>	<u>\$595,411</u>

C. TDG Glen Cove LLC (“TDG”) “Glen Cove Movie Theatre”

On December 27, 2013, the IDA entered into a PILOT Agreement with TDG. (Project code # 2801-12-03). The purchase price was \$5,523,135. The PILOT term is for 15 years and began in 2014. During construction 25 jobs were created and 8 full time positions post construction in the first year. In the second and third years 6 and 7 full time positions, are required respectively, per the lease agreement. The Movie theatre opened in April 2014. TDG paid \$74,665 in tax payments in 2022 and reported 42 FTEs. The corporate office is located at The DiNoto Group TDG Glen Cove, LLC, 7600 Jericho Tpke, Suite 110, Woodbury, New York 11797. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY GC TDG

	<u>PILOT</u>	<u>Exemptions</u>
County	\$7,525	\$16,634
Local	18,773	41,498
School	<u>48,367</u>	<u>106,915</u>
Total	<u>\$74,665</u>	<u>\$165,047</u>

In December 2014, the IDA closed on a PILOT agreement with Fair Housing Development Corp. (“Stanley Park”) Project Code (2801-01- 2014). Stanley Park, an existing Low Income Housing project in Glen Cove, completed a 40 year HUD PILOT in 2013 and requested a PILOT for 7 years from the IDA to allow it to repay real estate taxes owed to the City as well as to prevent a substantial rent increase to its existing tenants. The PILOT for Stanley Park began in 2016 and the IDA received a \$5,000 administrative fee. In 2022 a PILOT payment of \$58,000 was paid and reported 1 corporate address of Stanan Management Corp. is located at 33 Front Street, Hempstead, NY 11550. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY FAIR HOUSING

	<u>PILOT</u>	<u>Exemptions</u>
County	\$7,412	\$25,350
Local	15,894	54,361
School	<u>34,694</u>	<u>118,661</u>
Total	<u>\$58,000</u>	<u>\$198,372</u>

In December 2015, the IDA entered into a lease agreement with 50 Glen Partners LLC. Project code (2801-15-01). The PILOT will began in the 2016-2017 tax year. The IDA received a fee of \$1,000. PILOT Payments of \$110,673 was paid in 2022.. The IDA Board consented to a property ownership transfer to 50 Glen Realty in February 2022. In 2022. 50 Glen Realty reported 72 FTEs. The corporate office is located at 50 Glen Realty, P.O. Box 348, Monsey, NY 10952. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE 50 GLEN PARTNERS

	<u>PILOT</u>	<u>Exemptions</u>
County	\$6,255	\$9,428
Local	29,197	44,002
School	<u>75,221</u>	<u>113,364</u>
Total	<u>\$110,673</u>	<u>\$166,794</u>

The IDA closed on the Waterfront Revitalization Project in November 2016 for \$15M less debt payments paid by RXR on the IDA's behalf of \$2.4M for a net sales price of \$12.6M. These funds went to the repayment of loans for the waterfront. The IDA entered into a PILOT agreement with RXR and received an administrative fee of \$10M. The PILOT began in 2017 and will benefit the City, its citizens and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR's ("redeveloper") Garvies Point waterfront destination will bring 460 new jobs during the construction phase of 5-6 years, and 545 jobs post-completion. There will also be new tax revenues and new money infused into the Glen Cove economy.

RXR, their entities and the Beacon Condominium Owners was invoiced and paid \$4,632,014 for their 2022 PILOT and Bond Expense for the Garvies Point Project. Project Code (2801- 01A-2016). In 2022 RXR paid \$1,328,736 for school and library; \$983,855 to the City and \$33,857 to the County. Priority payments of \$2,346,448 were paid to the authorized tax jurisdictions. In 2022 \$70,278 was also paid to MuniCap, the administrator for the bonds, and Bank of New York Mellon, the Bond Trustee, for fees. The remainder of the funds was deposited into a Stabilization fund. These funds will be invested until January 1, 2025. At this time these funds will be used for turbo redemption of the bonds. RXR reported 131 construction jobs with a total of 81 FTE's reported. RXR reported \$18,519 in sales tax exemptions. RXR's corporate address is 625 RXR Plaza, Uniondale, NY 11556 for both projects. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY RXR GARVIES

	<u>PILOT</u>	<u>Exemptions</u>
County	\$33,857	\$16,441
Local	983,855	3,474,103
School	<u>1,328,736</u>	<u>8,661,823</u>
Total	<u>\$ 2,346,448</u>	<u>\$12,152,367</u>

On December 28, 2016, the IDA entered into a PILOT agreement with Michael S. Puntillo Development Company, LLC. ("Samuel Pierce") The PILOT began in 2017 and the IDA received an administrative fee of \$40,000. PILOT Payments of \$59,251 were paid in 2022 . In 2022, 6 FTEs were reported by the management company. The corporate address is A-1 Realty Management, Inc., 1551 Franklin Avenue, 1st Floor, Mineola, New York 11501, Attention: Peter Alizo.

In 2022, the payments made by Samuel Pierce, PILOT and the amount of tax exemptions were as follows:

PAYMENTS MADE BY SAMUEL PIERCE

	<u>PILOT</u>	<u>Exemptions</u>
County	\$2,217	\$14,507
Local	15,948	104,357
School	41,086	268,861
Total	<u>\$59,251</u>	<u>\$387,725</u>

In December 2017, the IDA entered into a PILOT agreement with RXR Village Square. ("RXR VS") Project code (2081-1-2017). The IDA received a fee of \$306,236. The PILOT began in 2019. RXR VS made a PILOT payment of \$186,723 in 2022 and reported 10 FTEs created and 10 retained in 2022. RXR Village Square's corporate address is 625 RXR Plaza, Uniondale, NY 11556.

The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY RXR VS

	<u>PILOT</u>	<u>Exemptions</u>
County	\$8,747	\$58,021
Local	49,765	330,091
School	<u>128,211</u>	<u>850,431</u>
Total	<u>\$186,723</u>	<u>\$1,238,543</u>

rev

135 Glen Cove Ave Corp ("Livingston") - The Villas at Glen Cove

The IDA closed on the property known as The Villas with 135 Glen Cove Avenue Corp. in December 2021.

No PILOT payments have been made in 2022 as the PILOT is scheduled to begin in 2024. The company reported 3 construction jobs in 2022. The corporate address of 135 Glen Cove Avenue Corp. is 162-20 77th Road, Flushing New York 11366.

Arcadia Landing LLC - Breton Hills Condominium

In July 2021, the IDA closed on the Breton Hills property with Arcadia Landing LLC. The IDA Board approved sales tax exemptions for the project in April 2020. In 2022 Sales Tax Exemptions reported for the amount of \$126,330. FTE employees amounted to 5 Full time jobs created at the project location; 30 construction jobs created. The project is not receiving a PILOT. The corporate address for Arcadia Landing LLC is 772 W. Beech Street, Long Beach, New York 11561.

Georgica Green

In August 2020, the IDA granted sales and mortgage tax exemptions to the Georgica Green Ventures LLC affordable housing project at Garvies Point. In 2022 51 FTE construction jobs were reported and \$505,454 reported in sales tax exemption. Bond expenses of \$29,963 were reported in 2022. PILOT payments of \$30,761 were paid in 2022. The corporate address of Georgica Green is 50 Quadrangle, Suite 118, Jericho, New York 11753.

PAYMENTS MADE BY GEORGICA GREEN

	<u>PILOT</u>	<u>Exemptions</u>
County	\$444	\$ 8,226
Local	12,898	21,189
School	<u>17,419</u>	<u>52,719</u>
Total	<u>\$30,761</u>	<u>\$82,134</u>

rev

Glen Cove Industrial Development Agency
 (A Component Unit of the City of Glen Cove, New York)

Other Supplementary Information
 Statement of Indebtedness - Bonds and Notes
 December 31, 2022

<u>Project Name Owner Name and Address</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance at 1/1/2022</u>
RXR - Garvies Point (GCLEAC)	11/16	1/56	5.00%	\$ 27,020,000	\$ 27,020,000
625 RXR Plaza	11/16	1/29	6.00%	22,531,396	30,475,135
Uniondale, NY 11556	11/16	1/32	5.63%	71,336,437	94,706,784
	11/16	1/56	5.50%	3,675,000	3,675,000
Totals				<u>\$ 124,562,833</u>	<u>\$ 155,876,919</u>

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Retired in 2022	Accreted Interest	Balance at 12/31/2022
\$ -	\$ -	\$ 27,020,000
-	1,856,546	32,331,681
-	5,402,111	100,108,895
<u>3,140,000</u>	<u>-</u>	<u>535,000</u>
<u>\$ 3,140,000</u>	<u>\$ 7,258,657</u>	<u>\$ 159,995,576</u>

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Other Supplementary Information
Statement of Indebtedness - Straight-Lease Transactions
December 31, 2022

<u>Project Name Owner Name and Address</u>	<u>Total Amount of Lease</u>	<u>Method of Financial Assistance, Other than the Tax Exemptions</u>	<u>Project Purpose Code</u>	<u>Not-for-profit</u>	<u>Original Estimate of Jobs to be Created</u>
Fairfield Glen Cove South 538 Broadhollow Road Melville, NY 11747	\$ 67,836,474		2		8
Glen Cove Storage 88-90 Hazel Street Glen Cove, NY 11542	7,553,000		1		3
Glen Cove TDG 7600 Jericho Turnpike Suite 110 Woodbury, NY 11797	5,523,135		6		8
Fair Housing 33 Front Street Hempstead, NY 11550	50,000		5		0
50 Glen Partners 91 Carmen Avenue Suite 500 Cedarhurst, NY 11516	4,380,000		6		0
Samuel Pierce 1551 Franklin Avenue (1st Fl) Mineola, NY 11501	347,301		6		2
RXR Village Square 625 RXR Plaza Uniondale, NY 11556	48,831,467		6		10
Georgica Green 50 Quadrangle (Suite 118) Jericho, NY 11753	31,713,518		2		0

Original Estimate of Jobs to be Retained	Tax Exemptions					
	Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions
	County	Local	School			
0	\$ 107,366	\$ 842,847	\$ 2,093,304	\$ -	\$ -	\$ 3,043,517
3	29,198	158,322	407,891	-	-	595,411
8	16,634	41,498	106,915	-	-	165,047
1	25,350	54,361	118,661	-	-	198,372
1	9,428	44,002	113,364	-	-	166,794
1	14,507	104,357	268,861	-	-	387,725
0	58,021	330,091	850,431	-	-	1,238,543
0	8,226	21,189	52,719	505,454	-	587,588

(Continued)

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Other Supplementary Information
Statement of Indebtedness - Straight-Lease Transactions (Continued)
December 31, 2022

Project Name Owner Name and Address	Total Amount of Lease	Method of Financial Assistance, Other than the Tax Exemptions	Project Purpose Code	Not-for-profit	Original Estimate of Jobs to be Created
Arcadia 772 W. Beech Street Long Beach, NY 11561	5,188,139		2		1
135 Glen Cove Ave Corp The Villas at Glen Cove Glen Cove, NY 11542	55,345,000		2		6
RXR Garvies Point 625 RXR Plaza Uniondale, NY 11556	1,000,000,000		6		222
The Regency 94 School Street Glen Cove, NY 11542	15,500,000		2	Yes	16

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Original Estimate of Jobs to be Retained	Tax Exemptions					
	Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions
	County	Local	School			
0	\$ -	\$ -	\$ -	\$ 126,330	\$ -	\$ 126,330
0	-	-	-	22,809	-	22,809
0	16,441	3,474,103	8,661,823	18,519	-	12,170,886
0	68,850	137,935	336,530	-	-	543,315

Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)

Other Supplementary Information
Schedule of Payments in Lieu of Taxes
December 31, 2022

Project	Total PILOT	County	Local	School
GC Regency	\$ 459,302	\$ 58,204	\$ 116,606	\$ 284,492
Fairfield Glen Cove South	1,747,688	61,653	483,990	1,202,045
GC Storage	338,489	16,599	90,005	231,885
GC TDG	74,665	7,525	18,773	48,367
Fair Housing	58,000	7,412	15,894	34,694
50 Glen Partners	110,673	6,255	29,197	75,221
RXR Garvies	2,346,448	33,857	983,855	1,328,736
Samuel Pierce	59,251	2,217	15,948	41,086
RXR VS	186,723	8,747	49,765	128,211
Georgian Green	30,761	444	12,898	17,419
Totals	\$ 5,412,000	\$ 202,913	\$ 1,816,931	\$ 3,392,156

Schedule of Exemptions

GC Regency	\$ 543,315	\$ 68,850	\$ 137,935	\$ 336,530
Fairfield Glen Cove South	3,043,517	107,366	842,847	2,093,304
GC Storage	595,411	29,198	158,322	407,891
GC TDG	165,047	16,634	41,498	106,915
Fair Housing	198,372	25,350	54,361	118,661
50 Glen Partners	166,794	9,428	44,002	113,364
RXR Garvies	12,152,367	16,441	3,474,103	8,661,823
Samuel Pierce	387,725	14,507	104,357	268,861
RXR VS	1,238,543	58,021	330,091	850,431
Georgian Green	82,134	8,226	21,189	52,719
Totals	\$ 18,573,225	\$ 354,021	\$ 5,208,705	\$ 13,010,499



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditors' Report

**The Board of Directors of the
Glen Cove Industrial Development Agency**
(A Component Unit of the City of Glen Cove, New York)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Glen Cove Industrial Development Agency ("Agency") which comprise the statement of net position as of December 31, 2022 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
Harrison, New York
_____, 2023