

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

**Minutes of Meeting
July 25, 2023**

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular business meeting at Glen Cove City Hall, second floor conference room, 9 Glen Street, Glen Cove, NY 11542 on Tuesday, July 25, 2023. The meeting was livestreamed and recorded in accordance with Section 857 of NY GM Law, as amended. Chairperson Panzenbeck called the meeting to order at 6:33 p.m. and the following members were present:

IDA/LEAC MEMBERS:

Pamela D. Panzenbeck, Chairperson
Vincent Hartley, Vice Chair
James Capiello
Grady Farnan
Thomas Hopke
Dave Jimenez

Also Present:

Ann Fangmann, Executive Director
Camille Byrne, Secretary
Margo Zoldessy, CFO
Paul O'Brien, Esq. – IDA/LEAC Attorney

Absent:

John Fielding

MINUTES:

Chairperson Panzenbeck made a motion to adopt the minutes of the IDA/LEAC meeting held June 13, 2023 and asked for a second. Vice Chair Hartley seconded the motion. Motion carried as follows:

IDA/LEAC MEMBERS

Chairperson Panzenbeck
Vice Chair Hartley
James Capiello
Grady Farnan
John Fielding
Thomas Hopke
Dave Jimenez

VOTING

AYE
AYE
AYE
AYE
Absent
AYE
AYE

The Executive Director and Finance reports were deferred to the latter portion of the meeting to ensure adequate time for the board matters that required voting.

Unfinished Business:

Chairperson Panzenbeck asked Ms. Fangmann to present an overview of two unfinished business items:

- Uniform Tax Exemption Policy (UTEP) Public Hearing: Ms. Fangmann summarized the steps taken to amend this policy, including UTEP ad hoc committee meetings with legal counsel, public hearing on 7/13/23 with comment period extension to 7/24/23. No comments were received.
- Garvies Point Block F LLC Public Hearing: Ms. Fangmann advised the members and public that a public hearing was held on 7/13/23 with comment period extension to 7/24/23. One formal written comment was received by Glen Cove School District and shared with the board members. Representatives from Garvies Point Block F LLC were present at the board meeting.

Following Ms. Fangmann's overview, and having no further questions regarding these matters, Chairperson Panzenbeck made a motion to adopt IDA Resolutions 6(a) and 6(b):

Resolutions:

- 6(a) Resolution of the Glen Cove IDA adopting amendments to its Uniform Tax Exemption Policy (UTEP)
- 6(b) Resolution of the Glen Cove IDA authorizing financial assistance to Garvies Block F, LLC.

Motion seconded by Vice Chair Hartley. Motion carried as follows:

| <u>IDA/LEAC MEMBERS</u> | <u>VOTING</u> |
|--------------------------------|----------------------|
| Chairperson Panzenbeck | AYE |
| Vice Chair Hartley | AYE |
| James Cappiello | AYE |
| Grady Farnan | AYE |
| John Fielding | Absent |
| Thomas Hopke | AYE |
| Dave Jimenez | AYE |

The Chairperson thanked the representatives from Garvies Block F LLC for their time and they exited the meeting.

Unfinished Business (continued)

Chairperson Panzenbeck asked Ms. Fangmann to present an overview of the remaining unfinished business item concerning an update on the Fair Housing Development Corp. (FDHC)/Janet Lane Housing Complex. Ms. Fangmann summarized that two of the units of this development were destroyed in a fire one year ago. The terms of the PILOT agreement cover all of the units in the complex. Representatives from FHDC management and board as well as their legal counsel were in attendance. The developer requested a waiver to not rebuild the two damaged units due to the prohibitive cost of rebuilding the units versus the insurance claim settlement. The developer submitted estimates demonstrating that the cost to rebuild would be in excess of \$800K which is higher than the cost of the insurance settlement. The board would like to see the developer obtain more uniform estimates and also revisit the insurance company as to how the settlement was calculated. It may have been based on 1971 plans and the cost of construction materials/labor have gone up dramatically as well as codes being updated over the years will require more work and add to the cost of rebuilding. The developer did mention that the two tenants that were displaced have found alternate housing and do not seek to return to those units. The tenants are on a month-to-month lease basis and it would not constitute a lease violation. The developer also said that the project is already struggling financially with the inability to raise rents to be commensurate with the cost of operating the development. HUD recently cited FHDC to have retaining walls and railing constructed for the Section 8 units. The complex is also in need of sidewalk repair, new boilers and roof. FHDC circulated a survey to their tenants asking what type of improvements they feel are a priority and there was a very low response (only 15 returned). FHDC also reminded the board that they were involved in a legal suit in 2014 brought on by the tenant association and the legal fees and increase in insurance premiums as a result of this lawsuit added to their financial distress. The president of the tenant association was in attendance and made mention that she reached out to Long Island Housing Partnership (LIHP) for assistance and that the information LIHP requested from FHDC was never acknowledged. The board listened to all viewpoints on this matter and made a request to see the prior and current insurance policies and settlement offer. They would like to see the invoice for the insurance premium and cancelled checks as proof of payment and also requested more uniform procurement be conducted to rebuild the units. Upon receipt of this documentation, the board will further review and make a decision on the waiver request. FHDC management advised the board that if they are forced to rebuild these two units, it could jeopardize the security of the future of the development and potentially have a negative impact on the residents of the entire complex. The board was clear in reminding FHDC that if the waiver were approved not to rebuild, the overall PILOT would have to be recalculated based on the lesser number of units. Potential plans for the use of the vacant land as a result of not rebuilding were also discussed. The board thanked the attendees from FHDC and they exited the meeting at 7:25PM. Chairperson Panzenbeck and board member Grady Farnan also left the meeting at that time and Ms. Fangmann rendered her deferred Executive Director's report.

Executive Director's Report. Ms. Fangmann reported on the following projects:

TDG: 5 School Street

The IDA Board had consented to a change in equity ownership at the June meeting based on certain conditions. The applicant has complied with the background check reports, with no significant issues

found. Two amendments to the project's sublease were circulated to the Board. As requested by the Board, tax returns for the three primary companies in the proposed ownership structure were also distributed: FTC Glen Cove Partners, TDG Glen Cove, and RDPP Glen Cove. Certain questions regarding the tax returns were raised by an IDA Board member and the applicant has requested additional time to respond upon review with the accountant from the companies.

Livingston/The Villas

No notable issues were found with the background checks conducted on the new equity owners as proposed and consented to by the IDA. To-date, revised building plans and pile reports have not been submitted to the Building Department Director. The lawsuit with MBI has been settled. Counsel is drafting the required amendment documents and the closing is expected within the next two weeks.

50 Glen Street

The prior PILOT has expired and the owner has requested a 7-year extension. No formal request has been submitted. Counsel has said that the project may be handled as a new application or an amendment to the old one. Ms. Fangmann's inclination is to treat this proposed application as a new project given the timing issues and the revisions to the UTEP since the project was originally approved. The Board expressed that they would like this project handled as a new application and for the applicant to attend a preliminary meeting with the Board once a draft application has been submitted.

Garvies Point

The 2023 PUD Amendment is under review by the Planning Board. A Preliminary Hearing is tentatively scheduled for August 1st. According to RXR, a closing with GGV for Block F (workforce condos) is anticipated by the end of the year, although a 90-day extension is built into their agreement. The GCLEAC anticipates executing a retainer agreement extension with Capital Market Advisors (CMA) who are continuing to support the IDA/GCLEAC and RXR with the Garvies Point Bonds. Municap has nearly completed an update of the bond revenue projections, last completed by SVS for the closing of the bonds in 2016.

Site Visits

Ms. Fangmann conducted site visits at The Regency and Garvies Point Workforce (GGV rentals). The office will be reaching out to Samuel Pierce (136 Glen Street) and to The Villas once construction has re-commenced.

Finance Report:

IDA Budget to Actual (Jan thru June'23)

The following is a financial update comparing the Actual to Budget for the period of **Jan thru June 2023** - highlights are as follows:

(1) Revenue for the period of **Jan thru June'23** as compared to the budget is as follows:

- **Total Revenue of \$ 107 k** as compared to the annual budget of **\$289 k**
 1. Escrow Revenue - **\$48 k** are professional fees
 2. Interest income - **\$4 k**
 3. Other revenue - **\$55 k** from Admin fees and consent fees

(2) Expenses for the period of **Jan thru June'23** (as compared to the Annual Budgeted Amount) are as follows:

- **Total Expenses: \$141k**

- **Salaries and benefits** incurred for **\$ 78 k** as compared to the annual budget of **\$156 k**
- **Professional Expenditures** incurred for **\$ 62 k** compared to the annual budget of **\$128 k**

Note: Prof Fees include Accountant fees, Legal Fees and Escrow Professional Fees
Note: Escrow Expenses included are for **\$48 k**

- **Other expenses** incurred for the amount of **\$ 1 k** compared to the annual budget of **\$4.8 k**
Other expenses include office expense, copier and admin expenses
- There is a **YTD operating loss** of **\$ 34 k**
Note: Much of the revenue comes from project closings and has the ability to fluctuate throughout the year.

GCLEAC Budget to Actual (Jan thru June'23)

- (1) **Revenue: Total Revenue \$52,000**
1. **Admin Fee Revenue** for \$2,000 as compared to the annual budget of \$2,000
2. **Escrow Fee Revenue** \$50,000 (Capital Markets Advisors fee for the restructure of the Corporation's Outstanding 2016 Revenue Bonds)
- (2) **Expense: Total Expense \$56,000**
1. **Admin fee expense** for \$2,000 payable to the IDA
2. Professional Fees for \$ 54,000 as compared to the annual budget of \$3,000
Note: Additional audit fee of \$500 (over prior year) and legal fees for \$500
\$50,000 Escrow fee for bond restructure payable to CMA (Capital Markets Advisors)
- (3) **Interest Income** \$ 107 as compared to the annual budget of \$ 500

- There is a YTD Loss of **\$ 4k**

As there was no further business to discuss, Vice Chair made a motion to **adjourn the meeting** and asked for a second. Motion seconded by Dave Jimenez. Motion carried as follows:

| <u>IDA/LEAC MEMBERS</u> | <u>VOTING</u> |
|--------------------------------|----------------------|
| Chairperson Panzenbeck | Absent |
| Vice Chair Hartley | AYE |
| James Cappiello | AYE |
| Grady Farnan | Absent |
| John Fielding | Absent |
| Thomas Hopke | AYE |
| Dave Jimenez | AYE |

Motion carried and the meeting is adjourned at 7:37 p.m.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA/LEAC

Adopted 9-26-2023