

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

Minutes of Meeting

June 24, 2021

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular business meeting via Microsoft Teams on Thursday, June 24, 2021 (rescheduled from June 23rd). The Chairman called the meeting to order at 6:34 p.m. and the following members were present:

IDA MEMBERS:

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

Also Present:

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

ABSENT:

Dave Jimenez

MINUTES:

Chairman Tenke made a motion to adopt the minutes of the IDA meeting held May 20, 2021 and asked for a second. The motion was seconded by Vincent Hartley. Motion carried as follows:

IDA MEMBERS

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

VOTING

AYE
AYE
AYE
Abstain
AYE
AYE
Absent

EXECUTIVE DIRECTOR REPORT:

Ann Fangmann provided the members with an update on the following IDA projects:

Arcadia Landing (Breton Hills): Ribbon cutting is being held 11am this Friday 6/25. The IDA assistance is still pending closing due to some questions regarding insurance and other items being discussed amongst counsel.

Janet Lane/Stanley Park: The PILOT ends in 2022 and Peter Morra, attorney for the project has approached the IDA to apply for a new PILOT. Milan has started a discussion with Mr. Morra, that includes looking at their past performance as a PILOT recipient. This will be a topic for a future meeting, likely later on this year. Chairperson Tenke noted that the initial 30-year PILOT was given by the NY State, but when it expired, they came to the City of Glen Cove for an extension which was granted for 7 years.

PR Storage: A letter regarding past delinquent payments was sent to their counsel. Milan Tyler informed the members that PR Storage counsel has responded that they believe they are in compliance and that there be an accounting error. Further discussion will occur with our Finance Department.

Georgica Green Ventures: Project to create 55 affordable units at the Waterfront has closed. The groundbreaking will be held July 1st at 11am.

Garvies Point: The public amenities spaces are largely complete, with final work behind Building I, the marina, and at the ecology pier in-progress. Work at the future site of the Garvies Point Brewery is underway. A ribbon cutting for The Beacon is being held this Friday 6/25 at 12:30pm. The ongoing maintenance agreement (there is a temporary agreement currently in place) is being developed by Brad

Schwartz of Zarin & Steinmetz for review by the parties, along with an amendment to the Continuing Covenants Agreements (CCA). Those drafts should be with Milan and I by tomorrow. The Planning Board will likely be scheduling the public hearing on the Garvies Point PUD Amendment in July. The Board has directed RXR to provide additional environmental due diligence for the 1 Garvies Point and Konica parcels, to be reviewed by PW Grosser, joint environmental monitor for the IDA/City and RXR.

Village Square:

- A maintenance agreement memorializing the City and IDA's preference to have RXR directly maintain the public plaza area for a renewable term of 5 years is under development. RXR was already responsible for the cost of maintaining the plaza and this agreement will allow RXR to take care of this directly under the oversight of the IDA/City, without the IDA/City contracting with a third party.
- As you are aware, there are 13 affordable units up to 80% Area Median Income (AMI) at the Village Square development under the oversight of the Long Island Housing Partnership. LIHP provided the Agency with an annual certification earlier this year. Milan and I have been addressing a few matters with LIHP and RXR, including the recertification process for those affordable units. It seems reasonable (and consistent with the IRS tax code) to allow residents of those 13 units, that initially met the 80% AMI test but are now earning up to 125% of the 80% AMI (or 100% AMI), to stay in their unit for a period of one year. If those renters should again exceed the 80% limit upon the following annual income certification, they will either need to vacate that unit or RXR will need to provide an additional comparable affordable unit within the building. An Amendment to the Regulatory Agreement defining this grace period was drafted by Milan and under review by RXR. The Amendment will be included in each affordable unit tenant's lease.

FINANCE REPORT:

Margo Zoldessy, CFO, provided the members with an update on the IDA finances comparing budget to actual for the period January through April 2021:

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

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

(1) Revenue for the period of Jan thru May as compared to the budget is as follows:

- Total Revenue of **\$157 k** is 25% of the annual budget of **\$635 k**
Note: Revenue includes Admin Fees, Interest income and Escrow fees

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

- **Salaries and benefits** incurred for **\$62 k** is 38 % of annual budget of **\$165 k**
- **Professional Expenditures** incurred for **\$75 k** is 15% of the annual budget of **\$488 k**
Note: Prof Fees include Accountant fees, Legal Fees and Escrow Fees
- **Other expenses** incurred for the amount of **\$1 k** is 32% of the annual budget of **\$4 k**
Other expenses include Advertising, Publications, and office expense
- Thus far there is an **operating surplus** of **\$19 k**

Note some accrual entries have not yet booked for the 2021 calendar year such as OPEB and Pension.

UNFINISHED BUSINESS:

Ms. Fangmann provided the members with an in-depth overview of the proposed amendments to the IDA

By-Laws. The red-line version showing track changes was provided to each member and the changes were in keeping with gender neutrality, flexibility in board meeting scheduling, 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 proposed amended By-Laws also incorporate the formalization of annual financial reporting for all projects that receive financial assistance. It was noted that the By-Laws had not been updated since 9/9/08.

New Business: Before the board hears the presentation from Fairfield Properties, the applicant, Executive Director Ann Fangmann reminded the Board Members of the IDA/LEAC Ethics Policy and that if any board member has a potential conflict upon review of the project application, it should be disclosed to Ethics Officer (Vincent Hartley) or to the Governance Committee or to our Legal Counsel (Milan Tyler) for advice on the disclosure.

As no member came forward to disclose a conflict on the project, Milan Tyler, IDA legal counsel, proceeded to provide the members with an update on the Fairfield Properties acquisition of Avalon Glen Cove. Mr. Tyler informed the members that Fairfield Properties has acquired both Avalons in Glen Cove. Avalon North's PILOT has expired last year and the closing will reflect the termination of that PILOT upon the transfer to Fairfield Properties. However, Fairfield Properties has requested that Avalon South's remaining PILOT term be assumed by them at closing to fulfill the remainder of the term. Mr. Tyler notified the board that he, as our IDA legal counsel, is satisfied that there is sufficient equity to cover the transaction and keep the properties thriving in Glen Cove. Members of Fairfield Properties and their legal counsel were present and thanked the board members for accommodating their tight schedule for upcoming closing next week.

Chairperson Tenke asked the members if there were any further questions. IDA Member, Joe Gioino, asked Mr. Tyler to specify the due diligence performed that would demonstrate Fairfield Properties Reasonable Standing. Mr. Tyler responded that the Fairfield Properties principals submitted a letter from their CPA firm attesting to their net worth and that Fairfield Properties has enough equity to cover the transaction. Having no further questions, the board proceeded to vote on the resolutions.

Chairperson Tenke made a motion to adopt Resolution 7(a):

7(a) Resolution of the Glen Cove Industrial Development Agency authorizing certain matters in connection with its straight-lease transaction with Glen Cove Development LLC (D/B/A Avalon Glen Cove South)

Motion to adopt Resolution 7(a) was seconded by: Vice Chair Hartley
Motion carried as follows:

<u>IDA MEMBERS:</u>	<u>VOTING</u>
Timothy Tenke, Chairperson	AYE
Vincent Hartley, Vice Chair	AYE
James Cappiello	AYE
Joseph Gioino	AYE
Ion Puspurica	AYE
John Tetta	AYE
Dave Jimenez	Absent

Motion carried.

Chairperson Tenke made a motion to adopt Resolution 7(b):

7(b) Resolution of the Glen Cove Industrial Development Agency authorizing amendments to the IDA By-laws.

Motion to adopt Resolution 7(b) was seconded by: Vice Chair Hartley

Motion carried as follows:

<u>IDA MEMBERS:</u>	<u>VOTING</u>
Timothy Tenke, Chairperson	AYE
Vincent Hartley, Vice Chair	AYE
James Cappiello	AYE
Joseph Gioino	AYE
Ion Puspurica	AYE
John Tetta	AYE
<i>Dave Jimenez</i>	<i>Absent</i>

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

Motion carried as follows:

<u>IDA MEMBERS:</u>	<u>VOTING</u>
Timothy Tenke, Chairperson	AYE
Vincent Hartley, Vice Chair	AYE
James Cappiello	AYE
Joseph Gioino	AYE
Ion Puspurica	AYE
John Tetta	AYE
<i>Dave Jimenez</i>	<i>Absent</i>

The meeting s adjourned at 7:04 PM.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA/LEAC

Adopted 7/29/21