

The Glen Cove Industrial Development Agency held a special business meeting on Thursday, July 29, 2021 at 6:30 p.m. The Chairman led the members into the Pledge of Allegiance before calling the meeting to order at 6:31 p.m. The following members were present:

IDA MEMBERS:

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

Also Present:

Ann Fangmann, Executive Director
Camille Byrne, Secretary
Milan Tyler, Esq. – Legal Counsel

MINUTES:

Chairperson Tenke made a motion to adopt the minutes of the IDA/LEAC meeting held June 24, 2021 and asked for a second. The motion was seconded by Vincent Hartley. Motion carried as follows:

IDA MEMBERS

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

VOTING

AYE
AYE
AYE
AYE
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AYE

EXECUTIVE DIRECTOR REPORT:

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

IDA Board Meeting Schedule: Ms. Fangmann remarked on the revision to the approved IDA Board Meeting schedule adopted in January 2021. She informed the public that historically the board has held its meetings on Tuesday evenings, preceding City Council meetings. However, the Chairperson reserves the right to reschedule meeting dates to alternate nights to ensure adequate time to discuss agenda items. In addition, to ensure proper social distancing against Covid-19 concerns, the in-person IDA board meetings will be held in the Main Chambers necessitating an alternate night from City Council meetings (typically held on Tuesdays) to accommodate the venue. The Board Secretary works closely with the Mayor's office to ensure that the board meeting logistics are properly noticed on the City's website and emails are sent to the members of the City Council and press of all board meeting notices/cancellations.

OSC Audit: The audit report from the OSC was released on 7/16. This report was sent directly by the OSC to IDA staff, members of the Board, and local State elected officials. Ms. Fangmann provided the report to the City Controller upon receipt and Ms. Byrne noticed the issuance of the report in the local paper, consistent with General Municipal Law (GML) Section 35. The IDA's response to the audit was provided as an attachment to the report. The IDA has 90 days from the issuance of the audit report to review its contents and make any adjustments to the IDA's response before submitting the IDA's Corrective Action Plan (CAP) to the State.

IDA Application Fees: Consistent with recent practice, the IDA will be updating the annual project fee from \$1,000 to \$2,000. This will be updated in the IDA's Project Application on our website.

Arcadia Landing (Breton Hills): Project closed on 7/7. Balance of fee owed to the IDA remitted 7/28.

Janet Lane/Stanley Park: The attorney for the project submitted a draft application to IDA counsel. IDA counsel reviewed the application and provided comments.

Garvies Point: The public amenities spaces are largely complete, with final work behind Building I, the marina, and at the ecology pier expected to be completed by next month. Work at the future site of the Garvies Point Brewery is underway. 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 draft agreements were reviewed by IDA staff and counsel in July, with anticipated finalization in August. There is a Planning Board preliminary hearing scheduled on the PUD Amendment for August 3rd, with a public hearing anticipated to be scheduled later in August.

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 City, without the IDA or City contracting with a third party. A draft maintenance agreement was circulated by RXR's counsel in July, with comments submitted back by IDA counsel.
- A draft of the Amendment of the Regulatory Agreement for the affordable units was reviewed by IDA counsel and staff and is close to being finalized. The requirements of the Amendment will be included in each affordable unit tenant's lease.

FINANCE REPORT:

Margo Zoldessy, CFO, was not in attendance but had previously distributed the following finance report to the members in their board packets:

IDA (Budget to Actual (Jan thru July'21):

Revenue for the period of Jan thru July as compared to the budget is as follows:

Total Revenue of \$173 k is 27% of the annual budget of \$635 k

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

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

Salaries and benefits incurred for \$94 k is 56 % of annual budget of \$165 k

The Benchmark of 7 out of 12 months is 58%.

Professional Expenditures incurred for \$85 k is 17% of the annual budget of \$488 k

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

*Note: Other expenses incurred for the amount of \$2 k is 50% of the annual budget of \$4 k

Other expenses include Advertising, Publications, and office expense

Thus far there is an operating loss of \$7 k

*Note: Some accrual entries have not yet been booked for the 2021 calendar year such as OPEB (Other Post-Employment Benefits) and Pension.

UNFINISHED BUSINESS:

Chairperson Tenke reminded the members that the primary purpose of this evening's special meeting was to further discuss Livingston Development Corp.'s application for financial assistance. Before proceeding with the agenda, Chairperson Tenke made the following announcement:

Before the board casts a vote on the applicant's request for financial assistance, Chairperson Tenke reminded the Board Members of the IDA 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 the IDA Legal Counsel (Milan Tyler) for advice on possible conflict.

As no members reported any conflicts of interest, Chairperson Tenke asked Milan Tyler, IDA legal counsel, to provide the members with a summary of IDA actions leading up to this evening's special meeting concerning Livingston Development Corp.'s application for IDA financial assistance. Mr. Tyler explained the three (3) resolutions before the board this evening: (6a) Universal Tax Exemption Policy (UTEP) Proposed Deviation; (6b) SEQRA and (6c) Approving Resolution for PILOT.

Chairperson Tenke stated that after further review of the due diligence done at the request of the board members and in consideration of public comments received to-date, the board wishes to amend the UTEP proposed deviation from a 12-year PILOT to a 10-year PILOT. That said, Chairperson Tenke invited Dan Deegan, Esq., legal counsel to the developer, to be heard in response to this proposed amendment to the proposed PILOT. Mr. Deegan addressed the members concerning the effects that the proposed amended PILOT from 12 years to 10 years would pose to his client's ability to obtain financing for this project. Mr. Deegan proposed that the Board approve a 10-year PILOT schedule, subject to extension if the applicant met 30% hyper-local (Glen Cove residents) employment requirement during construction.

Chairperson Tenke asked Kevin Gremse of National Development Corp. (NDC) to address the board as a third-party analyst on the impact to the applicant of amending the UTEP to a 10-year PILOT. Mr. Gremse noted that a typical PILOT for a development project such as this is 20 years. He used the "but for" criteria to evaluate various scenarios of PILOT on this project and rendered his opinion based on those scenarios being a possibility but somewhat uncertain given the slim margin of error. Further discussion took place between the legal counsel of both the applicant and the IDA board concerning certain possible contingencies to be met to exercise an extension to 12 years upon the satisfaction of a 30% local workforce requirement for the construction jobs.

Chairperson Tenke made a motion to go into Executive Session with his fellow board members to discuss legal matters with the IDA legal counsel concerning certain pending and threatened litigation. The IDA board exited the Main Chambers into the 1st floor conference room to consult with legal counsel in Executive Session at 7:10 P.M. and returned to the Main Chambers in open session at 7:28 P.M.

Chairperson Tenke asked Milan Tyler to explain the terms of the amendment to Resolution 6(a) discussed in Executive Session, namely that the 10-year PILOT to Livingston Development Corp. may be extended to 12-years if the developer employs Glen Cove residents for at least 30% of the construction of the project facility (each of whom would be paid a prevailing wage) and that it make a good faith effort to fill the six (6) permanent jobs with Glen Cove residents. Legal

counsel for the developer clarified the amended terms and requested a moment to consult in private with his client. The request for private consultation with his client was approved by Chairperson Tenke. Upon return to the Main Chambers, the legal counsel for Livingston Development Corp. informed the members that his client would accept the amended terms of the revised PILOT.

Chairperson Tenke made a motion to adopt Resolution 6(a) as amended as follows:

6(a): Resolution of the Glen Cove Industrial Development Agency authorizing a deviation from the Uniform Tax Exemption Policy of the Glen Cove IDA with respect to a project for 135 Glen Cove Ave. Corp and/or its affiliates or related designees, as amended, as follows:

The PILOT Term shall only be the first ten (10) years as set forth in the Pilot Deviation Notice Letters, subject to extension to twelve (12) years (i.e., adding years 11 and 12 as shown on the Pilot Deviation Notice Letters), if the Company demonstrates to the reasonable satisfaction of the Agency staff both that:

- (i) at least thirty (30%) percent of the employees engaged by the Company in the construction of the Project Facility are Glen Cove residents earning a prevailing wage, and*
- (ii) the Company has made a good faith effort to fill the anticipated six (6) permanent jobs after completion with Glen Cove residents.*

Motion to adopt **amended Resolution 6(a), as amended herein**, was seconded by: Vincent Hartley. Motion carried as follows:

<u>IDA MEMBERS:</u>	<u>VOTING</u>
Chairperson Tenke	AYE
Vice Chair Hartley	AYE
Jim Cappiello	AYE
Joe Gioino	AYE
Dave Jimenez	AYE
Ion Puspurica	AYE
John Tetta	NO

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

6(b) Resolution of the Glen Cove Industrial Development Agency adopting a SEQRA Findings Statement with respect to a project for 135 Glen Cove Ave. Corp and/or its affiliates or related designees.

Motion to adopt Resolution 6(b) seconded by: Vincent Hartley. Motion carried as follows:

<u>IDA MEMBERS:</u>	<u>VOTING</u>
Chairperson Tenke	AYE
Vice Chair Hartley	AYE
Jim Cappiello	AYE
Joe Gioino	AYE
Dave Jimenez	AYE
Ion Puspurica	AYE
John Tetta	NO

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

6(c): Resolution of the Glen Cove Industrial Development Agency taking official action toward and approving the straight lease documents for a certain project for 135 Glen Cove Ave. Corp. and/or its affiliates or related designees

Motion to adopt Resolution 6(c) seconded by: Vincent Hartley. Motion carried as follows:

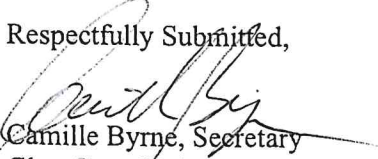
<u>IDA MEMBERS:</u>	<u>VOTING</u>
Chairperson Tenke	AYE
Vice Chair Hartley	AYE
Jim Cappiello	AYE
Joe Gioino	AYE
Dave Jimenez	AYE
Ion Puspurica	AYE
John Tetta	NO

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 Vincent Hartley. Motion carried as follows:

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

The meeting adjourned at 7:42 PM.

Respectfully Submitted,


Camille Byrne, Secretary
Glen Cove IDA

ENTERED
9.29.21

IDA (OK)