

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

Minutes of Meeting

April 12, 2022

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular joint business meeting in the 2nd floor conference room of City Hall on Tuesday, April 12, 2022. Chairperson Panzenbeck called the meeting to order at 6:15 p.m. and the following members were present:

IDA/LEAC MEMBERS:

Pamela D. Panzenbeck, Chairperson
Vincent Hartley, Vice Chair
James Cappiello
Grady Farnan
John Fielding
Dave Jimenez

Also Present:

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

ABSENT:

Thomas Hopke

MINUTES:

Chairperson Panzenbeck made a motion to adopt the minutes of the IDA/LEAC joint meeting held March 22, 2022 and asked for a second. The motion was seconded by Vice Chair Hartley. Motion carried as follows:

IDA/LEAC MEMBERS

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

VOTING

AYE
AYE
AYE
AYE
AYE
Absent
AYE

EXECUTIVE DIRECTOR REPORT:

Ann Fangmann, Executive Director, advised that her report consists of matters to be discussed under both Unfinished Business and New Business later in the meeting.

FINANCE REPORT:

Ann Fangmann informed the members that the final audited financial statements for both the IDA and LEAC were completed and submitted on time into PARIS State System. Copies were distributed to all members this evening. In Margo's absence, she distributed Financial Report prepared by the CFO in their board packets. Highlights as follows:

IDA Budget to Actual (Jan thru Mar'22)

The following is a financial update comparing the Actual to Budget for the period of Jan thru Mar 2022 - highlights are as follows:

Revenue for the period of Jan thru Mar'22 as compared to the budget is as follows:

Total Revenue of \$ 59 k as compared to the annual budget of \$511 k
Expenses for the period of Jan thru Mar (as compared to the Annual Budgeted Amount) are as follows:

Salaries and benefits incurred for \$39 k as compared to the annual budget of \$162 k

Professional Expenditures incurred for \$ 31 k compared to the annual budget of \$343 k

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

Other expenses incurred for the amount of \$ 945.00 compared to the annual budget of \$4 k

Other expenses include Advertising, Publications, and office expense

GCLEAC Budget to Actual (Jan thru Mar'22)

(1) Revenue Admin Fees \$2,000 as compared to the annual budget of \$2,000

(2) Expenses Admin Fee IDA \$2,000 as compared to the annual budget of \$2,000

(3) Interest Income \$44 as compared to the annual budget of \$1.5k

UNFINISHED BUSINESS:

Milan Tyler provided the members with the background on the Fair Housing Dev. Fund Corp. (FHDC) request for Deviation of Uniform Tax Exemption Policy and approval of Straight Lease for Stanley Park/Janet Lane Project. Milan explained that the Stanley Park/Janet Lane low-income rental project had been built with FHA funding and had a 40-year PILOT through FHA. When that FHA PILOT expired, the IDA renewed it for a period of 7 years which is expiring in 2022. Litigation brought forth by the tenants against FHDC management prohibited FHDC to raise rents which would help FHDC manage the costs to operate the low-income units. Now that the litigation is nearing being resolved, FHDC will work out necessary changes and enforcement to conduct annual rent recertifications and make rental adjustments commensurate with household income. National Development Council (NDC) made a recommendation making a PILOT equal to 10% of gross shelter rents. The 7-year PILOT recommendations were based on NDC recommendation similar to current PILOT. He proceeded to walk the members through the two resolutions being offered this evening for approval in order to approve the proposed 7-year PILOT extension. The members engaged in a question-and-answer period with the attorney for FHDC, Peter Morra, as well as a representative from FHDC, Stan Wicznewski. Members asked if PILOT is not approved, what is the recourse? The response was that the only option would be to raise all rents to fair market rent which could be prohibitive to most if not all tenants. The 7-year PILOT would give FHDC and the tenants time to gradually address income recertifications and make rent adjustments accordingly. Another question was whether the existing tenants are in rental arrears or forbearance and the response was YES due to the eviction moratorium following COVID-19 the FHDC management and tenants are undergoing the process to collect rental arrears through the courts and/or some of the tenants are seeking assistance through the Emergency Rental Assistance Program (ERAP). Since the HUD regulations are no longer in effect following the termination of the 40-year FHA agreement, and with the litigation settlement underway, the oversight of regulations during this 7-year period needs to be developed by IDA and FHDC legal counsel and management and enforcement must be adhered to by the tenants.

Having no further questions on the FHDC matters, Chairperson Panzenbeck made a motion to adopt IDA Resolutions 6(a) and 6(b):

RESOLUTIONS:

6(a) Resolution of the Glen Cove IDA authorizing a deviation from the Uniform Tax Exemption Policy of the Glen Cove IDA with respect to a project for Fair Housing Development Fund Corp. and/or its affiliates or related designees.

6(b) Resolution of the Glen Cove IDA taking official action toward and approving the straight lease documents for a certain project for Fair Housing Development Fund Corp. and/or its affiliates or related designees.

Motion to adopt IDA Resolutions 6(a) and 6(b) was seconded by Vice Chair Hartley. Motion carried as follows:

<u>IDA MEMBERS</u>	<u>VOTING</u>
Chairperson Panzenbeck, Chairperson	AYE
Vice Chair Hartley	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Thomas Hopke	Absent
David V. Jimenez	AYE

New Business

Chairperson Panzenbeck advised the members of two items for New Business discussion this evening:

1. IDA: Garvies Point Master Association, Inc. (HOA) to be the temporary operator of the Garvies Point Public Marina during the 2022 boating season.
2. LEAC: Retaining Capital Markets Advisors, LLC regarding the PIF Bonds.

Chairperson Panzenbeck asked that Ann Fangmann and/or Milan Tyler provide the members with an overview of these New Business matters.

Milan Tyler addressed the members regarding item No. 1 – Garvies Point Master Association (HOA) to temporarily operate the Garvies Point Public Marina. Mr. Tyler explained that since we are on the cusp of the boating season and there is not enough time to conduct a full RFP for an operator of the marina, and since the marina was built with tax exempt funds under the PIF bonds, the alternative was to expand the HOA agreement to enable them to operate the marina through the boating season. In the Fall of 2022, the IDA will prepare an RFP for future operation and management of the marina and RXR will have the right to place a bid on that RFP. In the unlikelihood of a profit, those profits will go to the IDA. Additionally, this type of operation typically operates with a loss especially now during post-COVID environment and high fuel pricing, and RXR has agreed to absorb any losses since the IDA has no reserves or funding to cover monetary losses. The City and IDA will be held harmless on the insurance certificates. Fee comparison from other marinas in the area are being analyzed to make the cost less than Brewers and in alignment with other marinas in the area. This is a public marina and not limited to Glen Cove residents only. The term “resident” refers to Glen Cove residents; NOT Garvies Point residents. A waiting list of interested participants has been established and those people who have expressed an interest will be contacted by the HOA. Joe Graziore of RXR was present at the meeting and provided the members with a detailed overview of the marina and informed the members that insurance of the marina will be paid for by RXR and included in the budget that is being prepared. He clarified that the marina is formally referred to as the Garvies Point Boat Basin. Opening of the public marina will be advertised in the local papers and the procedure to sign up, etc. will be communicated to all concerned.

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

6(c) Resolution of the Glen Cove IDA approving the Garvies Point Master Association, Inc. (HOA) as the temporary operator of the Garvies Point Public Marina during the 2022 boating season and authorizing the Chairperson and/or Executive Director to execute the agreement.

As there were no further questions about IDA resolution 6(c) she asked for a 2nd. Motion to adopt IDA Resolution 6(c) was seconded by Grady Farnan. Motion carried as follows:

	<u>IDA VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James J. Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Tom Hopke	Absent
Dave Jimenez	AYE

Chairperson Panzenbeck asked that Ann Fangmann and/or Milan Tyler provide the members with an overview of New Business item #2 to retain the professional finance services of Capital Markets Advisors LLC (CMA). This item falls under the Glen Cove Local Economic Assistance Corp. (LEAC) jurisdiction.

Milan Tyler explained that GCLEAC is the issuer of the public improvement bonds, paid for by PILOT funds collected to make public improvements. Because development went slower than originally anticipated due to COVID, etc., next step may be to renegotiate terms of the bonds affected by the delays in the construction schedule. A professional finance adviser who specializes in bonds will be needed. It was noted that CMA also serves the City of Glen Cove for its bonding needs. While we are not in a position to sign a contract at this time because the up-front fee is not feasible to be paid by the LEAC, negotiations with RXR are being discussed to pay the \$45,000.00 fee in order to sign the contract. In summary, board approval is being sought tonight to enable Ann Fangmann to sign the agreement once the payment of the fee is confirmed by RXR. Discussion ensued whether to table the resolution pending receipt of the \$45,000.00 retainer to pay the CMA fee. Milan Tyler indicated that the substance of the agreement will not change. Ms. Fangmann also confirmed that the agreement will not be signed until payment of the retainer fee of \$45,000.00 is received. Joe Graziose offered his assurances this evening that if the LEAC approves the resolution this evening, he is fairly confident that RXR will approve payment of the \$45,000.00 retainer for this contract. Appreciating that some board members were hesitant to approve this resolution, both Milan Tyler and Ann Fangmann assured them that the substance of the agreement will not change and the agreement will not be signed until the \$45,000.00 retainer is received. City Attorney, Tip Henderson, also assured the members that if there are any changes made to the agreement before the board this evening, the LEAC will revert back to the board for approval of the modified agreement.

As there were no further questions, Chairperson Panzenbeck made a motion to adopt **LEAC Resolution 6(d)**:

6(d) Resolution of the Glen Cove LEAC retaining Capital Markets Advisors, LLC (CMA) to provide certain professional municipal finance services and authorizing the Chairperson and/or Executive Director to execute the agreement.

Motion to adopt LEAC Resolution 6(d) was seconded by Vice Chair Hartley. Motion carried as follows:

	<u>LEAC VOTING</u>
Chairperson Panzenbeck	AYE
Vice Chair Hartley	AYE
James J. Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Tom Hopke	Absent
Dave Jimenez	AYE

As there was no further business to come before the board, Chairperson Panzenbeck 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/LEAC MEMBERS</u>	<u>VOTING</u>
Pamela D. Panzenbeck, Chairperson	AYE
Vincent C. Hartley, Vice Chair	AYE
James Cappiello	AYE
Grady Farnan	AYE
John Fielding	AYE
Thomas Hopke	Absent
David V. Jimenez	AYE

The meeting adjourned at 7:00 PM.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA/LEAC

Adopted 5/10/22