

The Glen Cove Industrial Development Agency and Local Economic Assistance Corp. held a regular business meeting at Glen Cove City Hall, 2nd floor conference room, 9 Glen Street, Glen Cove, NY 11542 on Tuesday, June 25, 2024. Chairperson Panzenbeck called the meeting to order at 6:00 p.m. and announced that this meeting is being livestreamed and recorded. The following members were present:

IDA/LEAC MEMBERS:

Pamela D. Panzenbeck, Chairperson
Vincent Hartley, Vice Chair
James Cappiello
John Fielding
Tom Scott
Lisa Travatello

Also Present:

Ann Fangmann, Executive Director
Milan Tyler, Esq. – Legal Counsel
Camille Byrne, Secretary
Margo Zoldessy, CFO/Assistant Secretary

Absent:

Dave Jimenez

MINUTES:

Chairperson Panzenbeck made a motion to adopt the minutes of the IDA/LEAC meeting held May 14, 2024 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
John Fielding
Dave Jimenez
Tom Scott
Lisa Travatello

VOTING

AYE
AYE
AYE
AYE
Absent
AYE
AYE

EXECUTIVE DIRECTOR REPORT:

Ann Fangmann, Executive Director, advised the members that she has been in contact with Fair Housing Development Corp. regarding the status of the fire damaged units (duplex) on Dickson Street. This fire occurred over two years ago, and the Company indicated it is their intention to rebuild the two fire damaged units; the company had originally requested a waiver not to rebuild. She was informed that an architect/engineer has been hired as well as an expediter to sign off on the demolition; the owner/representatives of the project have been asked to attend a future meeting with a more comprehensive update and timeline of the construction work. Ms. Fangmann advised that her further Agency updates will be addressed within the meeting agenda items.

FINANCE REPORT:

Margo Zoldessy, CFO, presented the IDA/LEAC financial report for the period January – May 2024, comparing the Actual to Budget.

IDA Budget to Actual (Jan thru May'24)

Revenue for the period of Jan thru May'24 as compared to the budget is as follows:

Total Revenue of \$116k as compared to the annual budget of \$313k

Escrow Revenue - \$74k as professional fees compared to the Budget of \$110k

Other revenue - \$29k from Admin fees and consent fees compared to the Budget of \$199k

Interest income - \$13.5k

Expenses for the period of Jan thru May'24 (as compared to the Annual Budget) are as follows:

Total Expenses: \$156k as compared to the annual budget of \$308k

Salaries and benefits incurred for \$72k as compared to the annual budget of \$171k

Professional Expenditures incurred for \$82k compared to the annual budget of \$131k

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

Note: Escrow Expenses included are for \$69k

Other expenses incurred for the amount of \$1k compared to the annual budget of \$4.9k

Other expenses include office expense, copier and admin expenses

There is a YTD operating loss of \$40k

Note: Much of the revenue comes from project closings and has the ability to fluctuate throughout the year and year-to-year.

GCLEAC Budget to Actual (Jan thru May'24)

Revenue: Total Revenue \$3.7 k

Admin Fee Revenue for \$2k as compared to the annual budget of \$2 k

Interest Income \$ 1.7 k as compared to the annual budget of \$ 2 k

Expense: Total Expense \$5.7k

Admin fee expense for \$2k paid to the IDA

Professional Fees for \$3.7k as compared to the annual budget of \$4.5k

Legal Fees of \$250-Audit Fee of \$3,500

There is a YTD Loss of \$2k

NEW BUSINESS:

Ms. Fangmann and legal counsel, Milan Tyler, provided the board with an in-depth overview of the proposed legislative changes concerning IDA board representation pending approval by Gov. Hochul. These changes relate to requiring a member of the municipality's board of education or superintendent's office to be on the board or a resident member of a labor union (it was noted that counsel's understanding of the changes differed from a summary provided by the NYS Economic Development Corporation). Proposed changes would also require the Agency to modify its UTEP to include consideration of onsite child daycare facilities, and prevailing wage applicability related to private projects receiving brownfield tax credits. As more information is received and/or the Bill is approved, we will report to the board and plan to implement proposed mandated changes to our policies and by-laws accordingly.

UNFINISHED BUSINESS:

50 Glen Realty LLC – Request for financial assistance.

Elisabetta Coschignano, attorney for the applicant from the law firm of Sahn Ward Baker was in attendance. Mr. Tyler, IDA legal counsel, recapped for the benefit of the attendees the history of the transfer of ownership of the building that included the assignment and assumption of PILOT to the current owners; that PILOT has since expired. The new owner, 50 Glen Realty, LLC intends to make much needed upgrades to the interior of the building, which holds several floors of co-working space, to attract new businesses to fill the offices. The construction will create 2 direct and 1 non-direct construction jobs and the post- construction goal after renovations is to become fully leased that will create 24 additional jobs (tenants) in addition to the 65 existing jobs (tenants + management) being retained. The new owner purchased the building in 2022 and has a \$4 million mortgage: the owner estimates \$300K in construction costs. The proposed 10-year PILOT is estimated to have a value of \$450,112, which is not deviating from the Agency’s revised UTEP. The requested sales tax abatement toward the construction costs will not exceed \$40 thousand dollars. A public hearing was held in April 2024 following receipt of application for financial assistance received from the applicant in November 2023 and revised in April 2024. An Economic and Fiscal Impact Analysis was conducted by MRB Group summarizing the economic impacts of the anticipated 2 direct and 1 indirect construction jobs as well as 24 direct and 5 indirect permanent jobs post-construction.

Chairperson Panzenbeck made a motion to adopt IDA Resolution 7C:

Resolution 7(c): Resolution of the Glen Cove Industrial Development Agency (GC-IDA) approving the application for financial assistance to 50 Glen Realty LLC

Motion seconded by Tom Scott. The motion was 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
John Fielding	AYE
David V. Jimenez	Absent
Tom Scott	AYE
Lisa Travatello	AYE

Chairperson Panzenbeck thanked Ms. Coschignano for her presentation and she exited the meeting.

Continuing with **Unfinished Business** – Chairperson Panzenbeck asked Ms. Fangmann and Mr. Tyler to provide the members with an update on the Glen Cove Local Economic Assistance Corp. (GC-LEAC) PIF Bonds/Trustee Replacement/Underwriter Updates.

Mr. Tyler addressed the members on the proposed trustee replacement. The bondholders retained new counsel and submitted a letter to BNY Mellon (current Trustee) that they were being replaced and the successor trustee will be UMB. He further explained that GC-LEAC replaces the trustee but the trustee is approved by the bondholder. The members were provided with justification of the hiring of UMB by the Agency’s financial advisor, CMA.

CMA also prepared an RFP for underwriting services and it was sent to six qualified firms, selected by CMA and Municap . Four firms responded and three of those firms were selected to meet with the advisers to the selection process (Mesiro, Wells Fargo and Morgan Stanley). The advisers, with the due diligence and expertise of CMA and legal counsel, were in favor of hiring

Morgan Stanley. CMA provided a memo summarizing the selection process and recommendation to hire Morgan Stanley, which was provided in the board packets.

Chairperson Panzenbeck made a motion to adopt GC-LEAC Resolutions 7A and 7B:

Resolution:

7(a): Resolution of the Glen Cove Local Economic Assistance Corp. (GC-LEAC) consenting to UMB Bank, N.A. as replacement trustee to provide certain professional municipal finance services

7(b): Resolution of GC-LEAC retaining Morgan Stanley as an underwriter to provide certain professional municipal finance services.

Motion seconded by Vice Chair Hartley. The motion was 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
John Fielding	AYE
David V. Jimenez	Absent
Tom Scott	AYE
Lisa Travatello	AYE

The final matter of **Unfinished Business** regarding Glen Cove Villa LLC – Updates on temporary forbearance agreement, was brought before the Board. In attendance were:

John Gordon – Attorney from Deegan Forchelli representing the Company.
Pankaj Malik – Attorney representing the Company on Mechanics Lien.
Greg DeRosa (G2D) - Developer
Kenneth McAvoy – Contractor for Developer
Manoj Narang – Principal owner of Glen Cove Villa LLC.

On the afternoon of 6/25/24, just prior to the board meeting, Mr. Gordan circulated the following documents to the board:

1. Releases of the IDA from the mechanic’s liens.
2. Response letter to the stop work order.
3. Email from lender regarding financing quotes.
4. Signed LOI with G2D to act as developer, construction manager and property manager (no equity).
5. Term sheet for financing.

Each of the above attendees on behalf of the Company addressed the outstanding items that are holding up the approval of further extension of the project. Mr. Gordan summarized by stating that these actions and documentation should suffice in their request to amend the forbearance agreement from August 2024 to December 6, 2024, to align with the current end date of the City’s Building Permit for the project. Chairperson Panzenbeck exited the meeting at 7:15PM to attend City Council.

EXECUTIVE SESSION:

Milan Tyler suggested to the Vice Chairperson that he wishes to provide legal advice to the board, in Executive Session, regarding potential litigation related to the Mechanics Liens for the Glen Cove Villa LLC. Vice Chair Hartley made a motion to go into Executive Session and asked for a second. Motion seconded by Tom Scott. Motion carried as follows:

<u>IDA/LEAC MEMBERS</u>	<u>VOTING</u>
Pamela D. Panzenbeck, Chairperson	Not present for vote
Vincent C. Hartley, Vice Chair	AYE
James Cappiello	AYE
John Fielding	AYE
David V. Jimenez	Absent
Tom Scott	AYE
Lisa Travatello	AYE

The board entered Executive Session at 7:40 p.m. Members of the public were excused, and the livestream was paused during Executive Session discussion.

A motion to come out of Executive Session was made by Vice Chair Hartley. Motion seconded by Tom Scott. Motion carried as follows:

<u>IDA/LEAC MEMBERS</u>	<u>VOTING</u>
Pamela D. Panzenbeck, Chairperson	Not present for vote
Vincent C. Hartley, Vice Chair	AYE
James Cappiello	AYE
John Fielding	AYE
David V. Jimenez	Absent
Tom Scott	AYE
Lisa Travatello	AYE

The board exited Executive Session at 7:50 p.m. Livestream resumed and Mr. Tyler noted publicly that no votes or actions were taken during Executive Session.

Vice Chair Hartley made a motion to adopt Resolution 7D:

Resolution 7(d) (as dictated by Mr. Tyler, legal counsel for IDA):

**7(d): RESOLUTION OF THE GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
AMENDING GLEN COVE VILLA LLC TEMPORARY FORBEARANCE CONSENT
RESOLUTION**

Resolution 7(d) is conditionally approved pending the following actions:

- The Company will be required to procure and secure financing for the project.
- The Company will remove all Mechanics Liens.
- The Company will sign a development agreement with project developer G2D Group.
- Timely payment of the IDA Forbearance Consent Fee.

Once the stipulations set forth herein are satisfied, the Company may come back before the Agency to ask for further extension with the understanding by the Company that there is no guaranty that the IDA board will grant said request.

Motion to adopt IDA Resolution 7D was seconded by Tom Scott. Motion carried as follows:

IDA/LEAC MEMBERS

Pamela D. Panzenbeck, Chairperson
Vincent C. Hartley, Vice Chair
James Cappiello
John Fielding
David V. Jimenez
Tom Scott
Lisa Travatello

VOTING

Not present for vote
AYE
AYE
AYE
Absent
AYE
AYE

As there was no further business to come before the board, Vice Chair Hartley made a motion to adjourn the meeting and asked for a second. The motion to adjourn was seconded by Lisa Travatello. Motion carried as follows:

IDA/LEAC MEMBERS

Pamela D. Panzenbeck, Chairperson
Vincent C. Hartley, Vice Chair
James Cappiello
John Fielding
David V. Jimenez
Tom Scott
Lisa Travatello

VOTING

Not present for vote
AYE
AYE
AYE
Absent
AYE
AYE

The meeting adjourned at 7:53 PM.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA/LEAC