MINUTES OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY MEETING
May 08, 2024

TIME AND PLACE: 6:30 P.M., Village Hall, Conference Room, 222 Grace Church Street, Port Chester, New York

IDA ROLL CALL

The PCIDA meeting was called to order at 6:30 p.m. by Chairman Frank Ferrara. On the motion of Board member Jim Taylor, which was seconded by Board member Dan Brakewood, the meeting was called to order with the following additional Board members being present: Mr. O'Connell and Ms. Alzate. Mr. Allen arrived at 6:45 pm and Mr. Hiensch arrived at 7 pm.

MEMBER	MOTION	SECOND	YES	NO	ABSTAIN	ABSENT
HIENSCH						x
O'CONNELL			x			
TAYLOR	x		x			
ALLEN						x
ALZATE			x			
BRAKEWOOD		x	x			
FERRARA			x			

Also present were PCIDA Administrative Director Christopher Steers, and Assistant Board Counsel Adriana Baranello. Chairman Ferrara stated that CFO Anthony Siligato and IT Director/Acting Secretary Rosalind Cimino were on assignment attending a conference on behalf of the Village and send their regrets. They submitted their reports which are in the backup. He invited Board questions on either report should there be any.

CHAIRMAN'S REMARKS

Chairman Ferrara spoke about the Westchester Crossing planned public hearing in April that was noticed but had to be canceled and acknowledged the frustration some members of the public expressed with the cancellation. He explained that this is a much larger project that the IDA has had in the past and what usually takes a few weeks to perform due diligence on, took a couple of months to complete. He apologized for the inconvenience and stated that the PCIDA would not reschedule a public hearing until everything was in order, which he suggested could be later in this meeting.

Chairman Ferrara stated that the May meeting was largely focused on the Westchester Crossing project due diligence.

PRESENTATIONS

To frame the presentations and subsequent discussion Chairman Ferrara briefly reviewed the property and the project's history.

Rachel Selsky from Camoin Associates presented the impact analysis of the Westchester Crossing project.

Chairman Ferrara mentioned that it was the opinion of staff that this project was so large and potentially impactful that they contracted with one of the financial analysts on the PCIDA's roster to perform an impact analysis on the project at three stages: during demolition and remediation, during construction, and at full build out and stabilization. He introduced Rachel Selsky from Camoin Associates to summarize the presentation that is in the posted backup and will soon appear on the Projects page of the PCIDA website.

Ms. Selsky reviewed the report. In addition to impacts during the demolition and construction phases, the most salient points were the ongoing annual impact on Westchester County of the fully built out project. This is estimated to be almost $30M in Earnings and over $77M in Sales in 2024 dollars, with over 60% of each in Port Chester alone.

In the discussion that followed it was acknowledged that these projections are based on the developer's numbers from the application regarding directly generated jobs and income that they have set as a benchmark for the project and will be held accountable for in annual filings.

Victoria Storrs from Storrs Associates presented on the Board's more traditional focus on the relative need for financial benefit in order to ensure the project is undertaken.

Ms. Storrs submitted a prodigious amount of analysis on the overall project, consisting of 7 individual reports and memos. These included one memo for each of the undertakings:

- The Master Developer remediation and preparation of the overall site
- Residential 1 project
- Residential 2 project
- Senior Living project
- Hotel project

She also filed a report on UTEP Section 7 Deviation PILOTs that her analysis suggested were required on the two Residential projects and a Summary Report aggregating the analysis at a high level.

Ms. Storrs focused on the Summary Report, referring the Board and public to the more in depth analyses that were posted in the backup and would soon be made available on the Projects page of the PCIDA website.

Her conclusion was that financial benefit is very much needed for the entire project but that Section 7 deviations would be required for the two Residential verticals because the heavy spending required to remediate the site and ready it for building fell on these projects and needed to be accounted for. She presented two deviations for each vertical, more generous than UTEP Section 6 Appendix A PILOTs. Neither hit the generally accepted minimum returns needed to incentivize a project, although in discussions with staff the applicant indicated they would undertake the verticals with the more generous proposal provided the entire project was approved.

She explained that the Master Developer proposed PILOT was also a deviation because it was only 10 years as opposed to the recommended 15 years minimum in UTEP Section 6. This was recommended by PCIDA counsel Justin Miller as a vehicle to enable Sales/Use and Mortgage Recording Tax benefits while protecting the project from an increased assessment of the property on the part of the Town of Rye Assessor which might result from improved parcels that do not yet have income producing projects completed, which could defeat the purpose of the overall investment. It is anticipated that parcels from each of the verticals will be purchased out of the Master PILOT when each site is readied, after which the PILOT would cease.

There followed a robust discussion on the following topics, addressed by Ms. Storrs:

- Is the equity level of 40% excessive, thus making the project appear needier than it might otherwise be?
    - Equity is richer than normal but in this case it a a good sign given the low returns and the risk attached to the size of the project. It provides more of a cushion and reduces the dollar amount of debt required.

- Brownfield Tax Credits can be a contributor to returns on a project. Why have they not been factored in on this project?
    - Healthcare is generally not a hazardous waste. There was an incinerator on a portion of the site, which might be considered brownfield. Only portions of the site will be eligible, and the decision of any award will take place well into the undertaking of the project and it is difficult to begin to measure it.

- The improvement in returns of the more generous PILOT proposal on the Residential units was discussed and it was explained that the higher abatement levels reflect in the later years as a higher return not realized in the other PILOT models.

- Addressing the overall much larger levels of benefit for the project, Ms. Storrs suggested that this is "a unique project, with a unique financial structure on a unique site that has sat derelict for a long time." The money needed to bring it back to life is by necessity very large.
    - Even the most generous proposal represents a benefit to cost ratio of 1.38, or $1.38 in net new taxes for every $1 of benefit extended, not including mitigation and mitigation payments and overall project benefit.

<u>WESTCHESTER CROSSING DUE DILIGENCE REVIEW AND DISCUSSION</u>

Chairman Ferrara and AD Steers reviewed the balance of the due diligence on the application:

- Town of Rye Assessor's data reveals a more than 20-fold increase in the value of the property should the project be undertaken and completed, from ~$12 Million to $260 Million.

- The UTEP Appendix B exercise reflects the highest score ever achieved by a PCIDA project.

- The mitigations and fees total over $6 Million, although the Chairman reminded the Board that these are snapshots in time that are subject to change as facts on the ground change. There is also 10% Affordable Housing per the County ordinance that reflects an annual cost to the project of close to $1.5 Million, among others.

- The benefits of the project were reviewed, including part time construction and full time job creation, the envisioning of the key Village gateway through a $775 Million project that will include substantial green space, green building initiatives, transportation improvements, the creation of $225 Million in new net tax revenues, the reconstruction of a substantial linear footage of sewer lines in the public right of way at project expense, the introduction of a hotel to the Village and the spending it will generate, as well as other benefits already mentioned throughout the financial analysis in the last section of these minutes.

Schoolchild concerns were raised. The Board was reminded about the 270 units of new housing stabilized in the downtown during the 2010s that routinely put only 2 children in the schools annually. It was also mentioned that the updated Schoolchild Mitigation study about to be released will indicate demographic projections that more accurately reflect what we are seeing on the ground. And as importantly, this project contains no three-bedroom units that tend to generate a lot of schoolchildren. There are mostly studios and one-bedrooms with a lesser number of two-bedrooms.

Chairman Ferrara declared the due diligence on the application was concluded and told the Board he intended to schedule a public hearing on the proposed scopes of benefit. He asked for clarity on the two deviation modes proposed for both Residential projects. A robust discussion ensued with a majority of the Board supporting the most generous option. A few members reserved judgement and expressed interest in studying the proposals further prior to the June meeting.

Chairman Ferrara scheduled the public hearing for Wednesday, May 29th at 6:30pm in the Town of Rye Court House barring any issues with scheduling conflicts and with the idea that the Board would take action on the application at the June meeting. He thanked Ms. Storrs for her work.

AD REPORT

Mr. Steers reported that 140-150 Westchester Ave. is looking to close next month.

He commented on the County DIG grant that the Village had been awarded. He stated that as we collect closing fees that this is something the Board can assist the Village with.

Mr. Taylor replied that historical preservation is important as well. He stated that developers downtown are finding items that may have historical significance but that the Historical Society does not have the funds or space to house or evaluate them.

Mr. Steers updated the Board on project monitoring and stated that it is a work in progress as projects get up to speed on these requests.

He stated that he is working with the Chairman on the AECOM second scope of work.

Chairman Ferrara said that he was invited to a briefing from Westchester County Planning and described $100 Million in affordable housing incentives that the County had made available from converted American Rescue Plan money left over from the federal Covid initiatives, with full permission of federal authorities. Unfortunately, the money was accounted for by the time of the briefing and County officials will inform us should any of the proposed projects fall through, freeing funds.

TREASURERS REPORT

In the absence of CFO Tony Siligato, Chairman Ferrara detailed the invoices for May:

Administrative Director	$1,875 per month
CFO	$ 940 per month
Acting Secretary/IT Director	$1,250 per month
Camoin	$5,345
Gannett	$ 932.80
Westmore News	$ 947.70

MOTION TO AUTHORIZE PAYMENT OF INVOICES FOR MAY 2024

MEMBER	MOTION	SECOND	YES	NO	ABSTAIN	ABSENT
HIENSCH			x			
O'CONNELL			x			
TAYLOR	x		x			
ALLEN			x			
ALZATE			x			
BRAKEWOOD		x	x			
FERRARA			x			

Mr. Ferrara referred the Board to the CFO's financial review in the backup, a copy of which is posted at the end of these minutes.

MOTION TO ADJOURN

MEMBER	MOTION	SECOND	YES	NO	ABSTAIN	ABSENT
HIENSCH	x		x			
O'CONNELL			x			
TAYLOR			x			
ALLEN			x			
ALZATE			x			
BRAKEWOOD		x	X			
FERRARA			x			

Respectfully submitted,

Rosalind Cimino

Port Chester Industrial Development Agency - Fiscal Year June 1, 2023 to May 31, 2024
Cash Analysis & Net Assets Report
As of April 30, 2024

Cash on Hand @ 4/1/2024				$935,958.11
Deposits/Wire Transfers/ Interest Received :				
JP Morgan Chase	Interest Earned - April 2024		127.55	
NYCLASS	Interest Earned - April 2024		3,475.11	
	Total Deposits/Transfers/Interest			$ 3,602.66
Checks Written / Disbursements :				
Christopher Steers-A/P	Administrative Director - March 2024	$ (1,875.00)		
Anthony Siligato-A/P	Treasurer / CFO - March 2024	$ (940.00)		
Rosalind Cimino-A/P	Secretary/IT - March 2024	$ (1,250.00)		
Camoin Associates Inc.	U.H. Economic Impact Analysis - Payment #1	$ (5,000.00)		
Aecom	IDA Economic Development Analysis	$ (5,000.00)		
Loewke Brill Consulting Group	Project Monitor (Setup)	$ (5,650.00)		
JPMorgan Chase	Squarespace 3/7/24 - 3/6/25	$ (252.00)		
	Checks Written / Disbursements during April 2024			$ (19,967.00)
Cash on Hand @ 4/30/2024				**$919,593.77**
Reconciliation of Bank Accounts				
JPMorgan Chase (Beginning Balance)			$ 125,337.87	
Deposits & Credits			$ -	
Interest Earned			$ 127.55	
Withdrawals & Debits			$ -	
Checks Presented			$ (19,967.00)	
Total JPMorgan Chase (Ending Balance)				$ 105,498.42
NYCLASS (Beginning Balance)			$ 810,620.24	
Deposits & Credits			$ -	
Interest Earned			$ 3,475.11	
Withdrawals & Debits			$ -	
Total NYCLASS (Ending Balance)				$ 814,095.35
Total Bank Balance @ 4/30/2024				**$ 919,593.77**

Prepaid Expense - Brown & Brown - Directors & Officers Insurance 6/1/24-11/5/24 (Chk#2079, 11/15/23)	$ 1,736.25
Prepaid Expense - CNA - General Liability Insurance 6/1/24-11/5/24 (Chk#2081, 11/15/23)	$ 475.17
Prepaid Expense - Cowbell - Cyber Insurance 6/1/24-12/12/24 (Chk#2082, 11/15/23)	$ 780.50
PCIDA Net Assets @ 4/30/2024	**$ 922,585.69**

Prepared by PCIDA Financial Officer