



Village of Port Chester Industrial Development Agency

222 Grace Church Street, Port Chester, New York 10573

Minutes: Wednesday, December 8, 2021

Time: Immediately following a Public Hearing at 6:30 PM

Village Hall Conference Room, 222 Grace Church St., Port Chester, NY

1. 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 Richard Cuddy, which was seconded by Board member Michael Brescio, the meeting was called to order with the following additional Board members being present: Daniel Brakewood (via WebEx), John Hiensch, Richard O'Connell, and James Taylor. Also in attendance was Administrative Director Christopher Steers, Board Counsel Justin Miller (via WebEx), Treasurer Anthony Siligato, Acting Planning Director Curt Lavalla and Acting Board Secretary Rosalind Cimino.

Motion: Open Meeting

Initiated: Richard Cuddy

Seconded: Michael Brescio

Yes: Michael Brescio, John Hiensch, Richard Cuddy, Frank Ferrara, Daniel Brakewood, Richard O'Connell, James Taylor

No: None

Abstain: None

Absent:

2. Presentation - Opportunity Zones

Constance "Gerrie" Post Reilly – Ferrandino Associates Chairman Ferrara introduced Ms. Reilly and explained the County has retained Ferrandino and Associates to provide local governments assistance in positioning themselves to take full advantage of the Opportunity Zone program. Ms. Reilly presented for over 45 minutes on the intricacies of the program and explained that Port Chester has two of the 25 zones in New York State, an unusual opportunity. There followed a robust Board discussion around whether Opportunity Zones provide sufficient additional incentive to projects that the Board should factor that into its due diligence. Several Board Members want it included in our analyses going forward. Board Counsel Justin Miller was not sure how to do that given Opportunity Zones simply present another way to attract capital and limit debt, offering another way to finance a project. It should not be considered a replacement for a PILOT but a component of a project's capital stack. Chairman Ferrara suggested that Opportunity Zones benefit investors in a project and might benefit a project itself only in that it might make it easier to attract capital. But the IDA cannot necessarily assume some or all of the investors in a project are participating in the program. In addition, Opportunity Zones provide an incentive on the back end of a project. IDA assistance is

all about inducement with heaviest assistance in the early years of a project when it can have negative cash flow. Opportunity Zones do not provide assistance there. He takes the view that Port Chester having so much of the Village in Opportunity Zones is a clear sign of how challenged the Village has been for development and that it needs the extra incentives provided to attract that investment. Investors are looking for return, but also the likelihood of that return. If they have a choice between similar returns in Rye or Port Chester they are likely to choose Rye because of the stability there. In short, Opportunity Zones are not a benefit that should be adjusted for, but an extra benefit that projects might use to make it easier to attract the working capital they require.

a. Presentation

3. Chairman's Remarks

Chairman Ferrara said that part of the spirit of the new code was to provide for commercial displacement strategies and that the importance of honoring this policy was stressed to IDA applicants. He also regularly speaks with downtown businesses in impacted areas to ensure there is a dialogue and good faith efforts being extended. Going through the process he has come to believe that when a business closes it is more likely due to economic pressures than development. He shared the stories of two different businesses as examples. Having survived the worst of the pandemic he was surprised when a restaurant on North Main Street closed this spring and called the owner to ask if he had been offered assistance in finding new space. He expected to hear a horror story of displacement, but the owner said he was happy to take an assistance check from the developer of his space and close the business. He said that Covid had almost killed his business but that recovering from Covid was the last straw. What emerged from the pandemic was now having to run two businesses, a dine in restaurant and a new takeout model that had become popular during the pandemic. This requires far more manpower at a time when workers are turning away from the industry and demanding considerably higher wages to boot. In response he had opened a takeout only restaurant elsewhere in the Village that required less space, in a less costly area, and significantly fewer workers. The result is he was making as much money as he had at the restaurant before the pandemic and was happy to move on. A hardline retailer who has been on North Main Street for decades has announced it is closing. It, too, is located in an area that has received approvals for redevelopment. The owners had nothing but praise for the developers, who they said worked tirelessly to help them maintain the business, even offering to assist them in transitioning what had become an outdated business model. But they decided it was time to close. Margins had been dwindling for years because of competition in the Village and running a hardline retailer in a downtown environment was difficult because of the need for onsite warehouse space, which is too costly in a downtown, and the continual challenge of parking in a downtown environment, which will not change. They would be better suited to relocate to a light industrial area where adjacent parking lots offer convenience to shoppers, but they have been unsuccessful in finding such space at a workable level in southern Westchester County. In conclusion our efforts to assist local businesses are

worthwhile and they should and must continue. They can give a chance for an otherwise healthy business to continue to thrive. But they can't help small businesses fend off challenges that have little to do with development and we need to be realistic in our expectations

4. Approval of Minutes

September 8, 2021 – regular meeting September 8 and October 13, 2021 – UTEP Public Hearing September 30, 2021 - workshop December 2, 2021 – Tarry Lighthouse LLC Public Hearing On the motion of Board member Jim Taylor, which was seconded by Board member Richard Cuddy, the minutes of the September 8, 2021 regular meeting, the September 30, 2021 workshop, the September 8 and October 13, 2021 UTEP Public Hearing, and the December 2, 2021 Tarry Lighthouse LLC Public Hearing, were approved.

Motion: Approval of Minutes

Initiated: James Taylor

Seconded: Richard Cuddy

Yes: Michael Brescio, John Hiensch, Richard Cuddy, Frank Ferrara, Daniel Brakewood, Richard OConnell, James Taylor

No: None

Abstain: None

Absent:

- a. Tarry Lighthouse Public Hearing Draft Minutes 12/2/21

5. AD Report

Administrative Director Christopher Steers spoke about the revision of the Port Chester Holdings Appendix B Scoring matrix to a far more favorable score. He and the Chairman re-reviewed the project with the applicant with an eye toward public infrastructure and fire safety that had not previously been included. He specifically mentioned their agreement to underground utility wires, which is not a requirement, and he feels they should be credited for that. There are potential scoring items highlighted in the spreadsheet that have not been included because they are not part of site plan and would thus be difficult to monitor. The sense of the Board was to leave them as they are and proceed as the IDA does not want to assume compliance on what should be site plan issues. Chairman Ferrara mentioned the project itself would be further discussed at the appropriate point in the meeting.

- a. AD Report

6. Resolutions

Tarry Lighthouse LLC Project Authorizing Resolution Chairman Ferrara discussed the December 2 Public Hearing conducted on the scope of benefits the Board had decided to consider for the project, including Sales and Use Tax Exemptions, Mortgage Recording Tax Exemption, and a 20 year PILOT agreement. He asked if the Board

would approve the updated application submitted to the Board at the last meeting. On the motion of Board member Jim Taylor, seconded by Board member Richard Cuddy, the updated application was accepted.

a. Approve Updated Tarry Lighthouse Application

Tarry Lighthouse LLC Project Authorizing Resolution Chairman Ferrara discussed the December 2 Public Hearing conducted on the scope of benefits the Board had decided to consider for the project, including Sales and Use Tax Exemptions, Mortgage Recording Tax Exemption, and a 20 year PILOT agreement. He asked if the Board would approve the updated application submitted to the Board at the last meeting. On the motion of Board member Jim Taylor, seconded by Board member Richard Cuddy, the updated application was accepted.

Motion: Approve Updated Tarry Lighthouse Application

Initiated: James Taylor

Seconded: Richard Cuddy

Yes: Michael Brescio, John Hiensch, Richard Cuddy, Frank Ferrara, Daniel Brakewood, Richard OConnell, James Taylor

No: None

Abstain: None

Absent:

b. Tarry Lighthouse Project Authorizing Resolution 2021

On the motion of Board member Jim Taylor, seconded by Board member Mike Brescio, the Project Authorizing Resolution was approved.

Motion: Tarry Light House Project Authorizing Resolution

Initiated: James Taylor

Seconded: Michael Brescio

Yes: Michael Brescio, Frank Ferrara, Daniel Brakewood, Richard OConnell, James Taylor

No: Richard Cuddy

Abstain: John Hiensch

Absent:

7. Old Business

8. New Business

Port Chester Holdings I Due Diligence Chairman Ferrara mentioned that the applicant had declined the Agency's offer to proceed to a Public Hearing on their application as the Board had only wanted to consider a 15 year PILOT and the applicant insists their project will not work without 20 years. The applicant wanted an opportunity to review their Appendix B scoring sheet for additional benefit that can be offered to the Village. They also wanted to review their Construction Proforma because of costs incurred due

to damage to their property during Tropical Storm Ida and the general inflation in construction materials and costs in general since their original submission earlier in the year. He mentioned that he had spoken to Board members individually to gain a sense of the Board as to how to proceed and the consensus was to give them the opportunity they requested. The Board has seen the increased scoring as presented in the AD report. We are now awaiting an updated Proforma for submission to Camoin/Storrs for a fresh appraisal of the project for both 15 year and 20 years scopes of benefit.

- a. PC Holdings 1 Displacement - Relocation Update December 2021

9. IT Director Report

IT Director Rosalind Cimino stated that she had been working on the navigation links on the website to bring it in line with State requirements. All of the navigation changes have been completed and now she can start adding in all of the missing documents. She asked for suggestions about changing the statement at the top of the home page and would like to hear from the Board. She reported that Civic Clerk is well underway, and a demo should be ready in time for the January meeting. Board member Jim Taylor asked for monthly analytics from the website be included in the IT summary report going forward.

- a. IT Director Summary Report

10. Treasurer's Report

- a. IDA Financial Snapshot
- b. Approval of Invoices

Treasurer Anthony Siligato provided the Board with a review of the monthly invoices: Approval of Invoices Rosalind Cimino Anthony Siligato Christopher Steers Harris Beach – Gen Corporate Matters Camoin Associates Curt Lavalla Joelle Rovello FedEx.

Motion: Approval of Invoices

Initiated: Richard Cuddy

Seconded: James Taylor

Yes: Michael Brescio, John Hiensch, Richard Cuddy, Frank Ferrara, Daniel Brakewood, Richard OConnell, James Taylor

No: None

Abstain: None

Absent:

11. Adjournment

Motion: Adjourn

Initiated: John Hiensch

Seconded: Richard Cuddy

Yes: Michael Brescio, Richard Cuddy, Frank Ferrara, Daniel Brakewood, Richard OConnell, James Taylor

No: None
Abstain: None
Absent: