**MINUTES OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY MEETING**
December 11, 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 Juliana Alzate which was seconded by Board member Jim Taylor, the meeting was called to order with the following additional Board members being present: Mr. Hiensch and Mr. O'Connell. Mr. Allen arrived at 6:40pm.

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

Also present were CFO Tony Siligato, Acting Secretary Rosalind Cimino, PCIDA Planning Director Greg Cutler and PCIDA Administrative Director Christopher Steers. Board Counsel Justin Miller of Harris Beach attended remotely.

## MOTION TO APPROVE MINUTES AS AMENDED FOR:

**NOVEMBER 13, 2024 MEETING**

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

**<u>PRESENTATION – Grow America Reasonableness Report - North Pearl Holdings (157 Westchester Ave)</u>**

Chairman Ferrara introduced John Gerber to provide details on his report. Mr. Gerber described a project that was marginally profitable even with a PCIDA UTEP Section 6 Enhanced PILOT and was aiming for rents that they found to be on the high side. In their discussion the developer insisted the amenities would attract top rents, commensurate with other high end properties in the Village.

Chairman Ferrara opened the discussion up to the Board. Mr. Taylor stated that he liked the presentation and noticed the differences between consultant reports as a benefit in the way different consultants provide details. It is just incumbent on the Board to be consistent.

He stated that mitigation payments were factored into their benefit analysis – something that the Board traditionally doesn't count as a public benefit, and he feels that the Board could be accused of dressing up a marginal project by counting mitigations as benefits, which they are not. He would be more comfortable not counting them as benefits, and suggested he is fine incentivizing a marginal project because of the benefits of development such as this that are not captured in the numbers. He also suggested that the PCIDA is effectively subsidizing the mitigation payments by discounting future tax revenues created by the project.

Chairman Ferrara noted that he has been making this point for a long time – that once you grant public subsidy any benefits or payments from a project are essentially being financed from the public fisc. He went on to point out, though, that the PCIDA's Cost Benefit Analysis uses a Benefit to Cost ratio exclusive of mitigations, and for this project it was over $1.70 in benefit for every $1 in subsidy.

He also noted that he and AD Chris Steers had discussed the presentation of the report, but decided to let it proceed to the Board precisely so they could see a different analyst's perspective and could push back on it if they wished. They try not to manage an analyst's report, but the Board is welcome to comment and ask for changes, which he and staff are pleased to accommodate.

Mr. O'Connell asked if they were risking taking on a project that might not succeed. Mr. Gerber said that this is typical of what he is seeing. Higher interest rates and construction costs have marginalized many projects and fewer are proceeding than 5 years years ago. Chairman Ferrara mentioned that he and Mr. Steers had had this conversation with the developer. They understand the challenge but want to proceed as the economic picture is continually changing. A small drop in interest rates, for example, and/or a rewinding of the steep climb in construction materials pricing would restore a healthier construction climate. He also mentioned that since the Veolia Water issue has cleared, projects are again moving forward.

Mr. Allen questioned the benefit of bringing in a 15-story building that would be subsidized by the IDA, given that the benefits don't seem to be there and the largest one, Affordable Housing, is essentially a subsidy to the renter and not necessarily a Port Chester renter at that, but more likely someone from the broader region.

Mr. Taylor pointed out the UTEP Appendix B matrix of benefits and the high score for the project, which to him makes it worthwhile. He feels the developer has gone out of their way to put forward a good project with many benefits because of its visibility, next to the Capitol Theatre.

Mr. Ferrara reminded the Board that land use is not in the IDA's purview; that heights and density are for other Boards and that we should do our best to be neutral on these issues that have passed muster with the Boards that have that authority.

Mr. Allen suggested the benefit of the project was marginal given the cost to the Village, but again Mr. Ferrara pointed out the Benefit to Cost ratio and also mentioned the increase in the Assessed Value of the property of over 2200%, which redounds to the benefit of the tax jurisdictions when project impacts are mediated as they are in the Village. He also pointed out that the percentage of project cost that the PCIDA subsidizes is about 20%, commensurate with other projects.

Mr. Taylor said the Board should be sensitive to public opinion and that it is valid. He feels the stronger argument is to again focus on benefit as detailed in Appendix B, which includes the increase in Assessed Value which is the largest of any project that Board has yet encountered. He feels confident that the IDA is creating value.

Chairman Ferrara thanked the Board for a good exchange that he thought was valuable.

Mr. Ferrara reviewed the Rye Town Assessor Assessed Value, the UTEP Appendix B benefit score and the benchmark tables. The project scored well and does represent a large increase in assessed value.

Mr. Ferrara asked members if there was a consensus to bring the project to a Public Hearing. Mr. Allen was concerned that there would not be proper public notice on the project given the holidays and he wanted to be certain the public had every chance to express themselves. The Board agreed to schedule a Public Hearing on January 7, 2025 at 6:30 pm in the Senior Community Center and asked that we notice the meeting as soon as possible.

**OLD BUSINESS**

Chairman Ferrara acknowledged the representatives from the Abendroth Green project attending via Webex and reminded the Board that they had presented last month on their need for a project extension. The Board at that time agreed to consider a 6-month extension that would enable the applicant to essentially reapply given the amount of time that has passed since approvals and the significantly higher budget that will have to be analyzed. He suggested that this is a constructive course to take given that the increased in benefits enabled by the higher costs will almost certainly require a public hearing at some point. The Board moved to pass the extension on the caveat that the developer moved quicky to restart the review process.

**MOTION TO APPROVE SHORT TERM EXTENSION REQUEST FOR ABENDROTH GREEN:**

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

Chairman Ferrara discussed his memo regarding changes to the IDA application. He, staff, and Governance Committee Chaiman Jim Taylor had met on having the committee vet the proposed changes at a Committee meeting in January and forward their recommendations to the broader Board. The changes might include making the application more Accela software friendly, removing Page 14 which the applicant is asked to fill out tax information that is normally the domain of staff, and including clear information that any approved project should expect a monitoring procedure and hardwire that expectation into contracts with their subcontractors.

Chairman Ferrara asked Mr. Taylor to talk about an overhauled application from the LDC perspective, as there had been discussions about a joint application. Mr. Taylor stated that after discussions, it made more sense for the LDC to have a separate application with an MOU for fee sharing with the IDA.

**CHAIRMANS REMARKS**

Chairman Ferrara stated that Richard Abel from the Westmore News called to tell him that they were closing and that their last issue was to be on December 20th. He stated that the Westmore News was the only locally focused media outlet in the Village and was distraught at the news. Chairman Ferrara stated that the official paper would default to the County wide Journal News in addition to the IDA and Village websites.

Chairman Ferrara extended a groundbreaking invitation from Saxon for the PCIDA 140-150 Westchester Avenue Project, an example of a project that is moving forward now that the Veolia issue has been resolved.

He discussed an ad he put in the backup offering discounts on less than $2M 2-bedroom condos in DUMBO. There were no discounts on more expensive 2-bedrooms, which were moving fine. This is an indication that upper middle class 2-bedrooms are finding challenge in the marketplace, likely reflecting what we are seeing in demographic data: that women are having far fewer children, impacting family size and choices for homes. He brings this up only because of Rose Associate's request on the United Hospital Westchester Crossing project to trade in a number of 2-befroom rental units for more ones and studios. The DUMBO data point gives him more comfort in Rose's request, that it is not an effort to generate more income at the expense of the long term health of the project, but rather a reflection of the market. He'd like the Board to note that as the Westchester Crossing project comes back to us in the coming months.

He referred to another article on modular apartments. David Mann had tried them on his 120 North Pearl Street project a decade ago and had a poor experience. But here is a major nationwide builder, Greystar, committing to modular building for a portion of their portfolio. The market is forcing developers to look at building efficiencies and he is impressed with the size of the commitment to this strategy whose time might finally have come.

The final article of interest was about the challenges of the labor market in construction that he hoped would inform the Board's ongoing discussion of crafting a practical labor policy, should it choose to go in that direction.

Chairman Ferrara then asked for additional input on the Loweke Brille regional labor practices from the members who were absent from the November meeting. Loewke Brill had recommended including NYC residents as part of the local labor group in order to ensure we would be hiring a substantial percentage of people that we could then consider local. But this request had not really resonated with the PCIDA Board, where the focus was primarily on Port Chester residents and then Westchester County residents, both of whom have their taxes abated by the PCIDA and who in turn should have a claim on PCIDA policy. Part of the problem of crafting a workable local area is our border with Connecticut, where there is a large labor pool in places like Bridgeport that we are not able to include because it is out of state.

Mr. Allen noted that we are the only IDA in the area without some kind of labor policy. He was wondering what percentage of local people we could incorporate into a policy and Mr. Ferrara suggested they could go back to Loewke Brill for their data and report to the Board.

**AD REPORT**

Mr. Steers stated that he attended the PCIDA sponsored AECOM strategies presentation webinar, and that turnout was good and people engaged. Mr. Ferrara thanked those Board members who were able to attend. He said it was time to focus on next steps with AECOM, perhaps wrapping up their report with a final publication and presentation to the Board. Mr. Taylor stated that he was open to a final report and to do an update every six months or so that the report does not become stale.

Mr. Steers discussed the ABO website audit letter and stated that the staff would be having a meeting with Harris Beach in the next week to craft a further response that would be due by January 17th. Mr. Ferrara mentioned that with the upcoming holidays it might be hard to meet that deadline, and he suggested that staff craft as comprehensive a response as possible, accompanied by a date certain for the balance if they were unable to comply in such a limited time.

Mr. Allen exited the meeting at 8:30 pm.

Mr. Steers discussed the Storrs Associates proposal for project metrics and market benchmark comparisons with the Board. It was agreed a more formal proposal would be presented next month.

Finally, Mr. Steers mentioned we had a meeting with the Schools to discuss the 10 year lookback school mitigation policy, as it is a concern of the PCIDA Board and there is not currently a mechanism in place to ensure this lookback is performed. This is not really the domain of the PCIDA, but the PCIDA has offered to use its good offices to craft an agreement between them. There will next be an internal meeting with Village Staff before bringing something to the Schools.

**PLANNING DIRECTOR REPORT**

Mr. Cutler reviewed his report with the Board and noted that a public hearing at the Board of Trustees on the United Hospital project had been held open until December 16th. Chairman Ferrara asked Mr. Cutler if the site plan amendment could be approved at that meeting, and he said it could. Mr. Ferrara mentioned to the Board that it should be prepared for the Westchester Crossing team to appear before them as early as the January meeting.

He mentioned that the Village had accepted an application for a 400+ unit development on the site of the Simons Building at 181 Westchester Avenue. There is no developer involved but the owner is applying to entitle a zoning compliant project.

Mr. Ferrara suggested it was a good time to make everyone aware that a project such as this might have a more challenging path to IDA benefits, because the building it is proposing to replace is healthy, likely housing hundreds of jobs, many of them in the six figure range. As a key metric that an IDA has to weigh is job creation, it might be difficult to justify benefits to a project that could chase this number of jobs that are vital to the daytime economic infrastructure of the Village. The project may well be zoning compliant and be granted entitlement, but there is no automatic path to IDA benefits if IDA metrics cannot be met.

He suggested this is an important point for the broader public to understand, because heretofore IDA benefits have been seen as an automatic. But if the IDA has been an automatic it is because approved projects have been on vacant land or replaced out of service or end of life buildings. As land owners turn their attention to more vibrant areas, just because a zoning compliant project gets its approvals does not necessarily mean the IDA will follow suit. We have our own process and it is critical that the investment community understand that ahead of time.

Mr. Ferrara closed by saying he is not prejudging anything, but he does not want investors blindly purchasing properties at highest and best use prices when they may have a challenging road ahead when applying for benefits.

He thanked Mr. Cutler for bringing this to his attention and cited this as an advantage to having Village Planning once again involved in the PCIDA after an unfortunate absence, which has improved communication and PCIDA function.

Mr. Cutler mentioned an RFP for the Downtown Improvement Grant was being readied. Chairman Ferrara urged Mr. Cutler to keep the Board informed given the expressed desire of the Board to participate.

He also mentioned that he gave a presentation at the Pace University Land Use Law Center and a trend he noted at the conference is the demand upstate is focused on smaller units, reflective of the smaller family size discussed earlier in the meeting.

**IT DIRECTOR REPORT**

Ms. Cimino stated that her involvement with AI on the Village side was focused on preventing staff from accessing sensitive information and inadvertently uploading it to an AI model.

She reviewed the website traffic which saw a notable bump during the AECOM presentation.

And updated the Board on the progress of the new IDA website, Accela and the migration of Board email to .gov.

**TREASURER'S REPORT**

Mr. Siligato detailed the monthly invoices:

| | |
|---|---|
| Administrative Director | $ 1,875 per month |
| CFO | $ 940 per month |
| Acting Secretary/IT Director | $ 1,250 per month |
| Planning Director | $ 900 per month |
| Deputy CFO | $ 315 per quarter |
| Harris Beach | $ 2,292.17 |
| Harris Beach | $ 5,671.50 |
| Harris Beach | $15,745.50 |
| AE Com | $11, 853.17 |
| Loweke Brill | $ 6,390.00 |

**MOTION TO AUTHORIZE PAYMENT OF INVOICES FOR DECEMBER, 2024**

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

Mr. Siligato then reviewed the financial snapshot for November, which appears on the following page.

## Port Chester Industrial Development Agency - Fiscal Year June 1, 2024 to May 31, 2025
## Cash Analysis & Net Assets Report
## As of November 30, 2024

| | | | | |
|---|---|---|---|---|
| **Cash on Hand @ 11/1/2024** | | | | $1,623,200.68 |
| **Deposits/Wire Transfers/ Interest Received :** | | | | |
| JP Morgan Chase | Interest Earned - November 2024 | | 523.51 | |
| NYCLASS | Interest Earned - November 2024 | | 4,708.67 | |
| | | | - | |
| | Total Deposits/Transfers/Interest | | | $ 5,232.18 |
| **Checks Written / Disbursements :** | | | | |
| Christopher Steers-A/P | Administrative Director - October 2024 | $ (1,875.00) | | |
| Anthony Siligato-A/P | Treasurer / CFO - October 2024 | $ (940.00) | | |
| Rosalind Cimino-A/P | Secretary/IT - October 2024 | $ (1,250.00) | | |
| Gregory Cutler-A/P | Planning Director - October 2024 | $ (900.00) | | |
| Harris Beach PLLC | Legal - General Corporate Matters-9/10-10/18/24 | $ (2,125.00) | | |
| Brown & Brown | Directors & Officers Insurance (11/5/24-11/5/25) | $ (4,389.00) | | |
| Cowbell | Cyber Insurance (12/12/24-12/12/25) | $ (1,597.00) | | |
| CNA Insurance | General Liability Insurance (11/5/24-11/5/25) | $ (1,323.52) | | |
| Envelopes & Printed Products | Business Cards-Chairman | $ (159.00) | | |
| | Checks Written / Disbursements during October 2024 | | | $ (14,558.52) |
| **Cash on Hand @ 11/30/2024** | | | | **$1,613,874.34** |

| | | | |
|---|---|---|---|
| **Reconciliation of Bank Accounts** | | | |
| JPMorgan Chase (Beginning Balance) | $ 788,035.62 | | |
| Deposits & Credits | $ - | | |
| Interest Earned | $ 523.51 | | |
| Withdrawals & Debits | $ (750,000.00) | | |
| Checks Presented | $ (14,558.52) | | |
| **Total JPMorgan Chase (Ending Balance)** | | $ 24,000.61 | |
| NYCLASS (Beginning Balance) | $ 835,165.06 | | |
| Deposits & Credits | $ 750,000.00 | | |
| Interest Earned | $ 4,708.67 | | |
| Withdrawals & Debits | $ - | | |
| **Total NYCLASS (Ending Balance)** | | $ 1,589,873.73 | |
| **Total Bank Balance @ 11/30/2024** | | | **$ 1,613,874.34** |

| | |
|---|---|
| **Prepaid Expense - Brown & Brown - Directors & Officers Insurance 6/1/25-11/5/25 (Chk#2172, 10/29/24** | $ 1,828.75 |
| **Prepaid Expense - Cowbell - Cyber Insurance 6/1/25-12/12/25 (Chk#2173, 10/29/24** | $ 798.50 |
| **Prepaid Expense - CNA Insurance - General Liability Insurance 6/1/25-11/5/25 (Chk#2174, 11/1/24** | $ 551.45 |
| **PCIDA Net Assets @ 11/30/2024** | **$ 1,617,053.04** |

*Prepared by PCIDA Financial Officer*

**ADD ON ITEM – REQUEST TO TERMINATE THE G&S LAND ACQUISITION AND DISTRIBUTION AGREEMENT (LADA)**

Chairman Ferrara briefly recounted the history of this agreement between the Village, the PCIDA, and G&S Investors, which oversaw the Waterfront project downtown. It dates to the late $20^{th}$ century and dictates the obligations of the parties to each other, most notably enumerating G&S's obligations.

The project has been completed and all obligations have either been completed or formally forgiven, and G&S has asked that the LADA be terminated as it remains on title records and complicates G&S's ownership.

He asked the Board to move to enter Executive Session to obtain advice from counsel, after which they would be asked to consider the resolution. He urged staff to participate.

He advised the public that the livestream would cease, but would restart once the Board exited Executive Session.

**MOTION TO ENTER INTO EXECUTIVE SESSION:**

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

**MOTION TO EXIT FROM EXECUTIVE SESSION:**

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

***PCTV HAD TECHNICAL ISSUES RECORDING THE FINAL MIINUTES OF THE MEETING AFTER THE 1ST EXECUTIVE SESSION AND NO VIDEO WAS RECORDED. MOTIONS AND VOTES FINALIZING THE MEETING ARE BELOW.***

Chairman Ferrara asked the Board if there was support to dissolve the LADA.

**MOTION TO APPROVE DISPOSITION OF G&S LADA**

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

**2nd EXECUTIVE SESSION**

Chairman Ferrara mentioned the need to receive advice from counsel on a different matter and asked the Board to again go into Executive Session.

**MOTION TO ENTER INTO EXECUTIVE SESSION**

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

**MOTION TO EXIT FROM EXECUTIVE SESSION:**

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

**ADJOURNMENT**

**MOTION TO ADJOURN:**

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

Respectfully submitted,
*Rosalind Cimino*