



**Yonkers Industrial Development Agency  
Regular Board Meeting Minutes  
January 30, 2014**

**Present Board Members**

Mayor Mike Spano, Chairman  
Deputy Mayor Susan Gerry, Secretary  
Martin Ball, Sr., Vice Chairman  
Joy Carden, Treasurer  
Peter Kischak, Board Member  
Robert Maccariello, Board Member

**Absent Members**

Cecile D. Singer, Board Member

**Non-Members Present**

Ken Jenkins, IDA President  
Deepika Mehra, IDA/YEDC CFO  
Jaime McGill, IDA Staff  
Patrick Serenson, IDA Accountant  
Gregory Young, Esq., IDA Counsel  
Joseph Shuldiner, Municipal Housing Authority  
Kris Komoroski, NERCC  
Paul Sabot, NERCC  
Jadgish Mitter, Shree Balajee Corp.  
Anthony Maiocchi, Shree Balajee Corp.  
Robert Niyazov, Saw Mill NY Inc.  
Jim Cavanaugh, Thompson & Bender  
Wilson Kimball, City of Yonkers Planning & Development  
Louis Albano, City of Yonkers Planning & Development  
Michael Curti, City of Yonkers Corporation Counsel  
Mike Breen, Yonkers City Council  
Melvina M. Carter, City of Yonkers

Mayor Mike Spano commenced the Yonkers IDA Board Meeting by thanking Melvina Carter the former IDA President and CEO for her hard work and dedication. Mayor Spano highlighted that Melvina would be going to work for the City of Yonkers Finance Department. Mayor Spano welcomed the IDA's staff additions, Jaime McGill and Ken Jenkins the new IDA President. Mayor Spano highlighted that many people already know Ken Jenkins history and foresee Mr. Jenkins doing a great job selling and promoting the City of Yonkers as a great place to do business.

Mayor Spano called the meeting to order at 9:00 a.m. A roll call was taken. Mayor Mike Spano, Deputy Mayor Susan Gerry, Martin Ball, Sr., Joy Carden, Peter Kischak and Robert Maccariello were present. Cecile Singer was excused.

### **Approval of the Minutes for December 17, 2013**

Mayor Spano introduced the next agenda item which was the Approval of the December 17, 2013 Minutes. The board members were given ample time to review the minutes. No changes were necessary.

A motion was made to approve the Minutes for December 17, 2013 by Robert Maccariello. The motion was seconded by Martin Ball, Sr. *Approved 6-0*

### **Approval of the Financials for December 2013**

Mayor Spano introduced the next Agenda item which was the Approval of the Financials for December 2013. Deepika Mehra, IDA/YEDC CFO referenced that the financials were issued to the board prior to the meeting for review and indicated that Pat Serenson, IDA Accountant was present to address any questions.

A motion was made to approve the Financials for December 2013 by Joy Carden. The motion was seconded by Peter Kischak. *Approved 6-0*

### **Municipal Housing Authority – PILOT Proposal Presentation**

Mayor Spano advised that Joe Shuldiner of the Municipal Housing Authority (MHA) presentation would be moved up as the next item on the agenda. Mr. Shuldiner thanked the IDA for enabling MHA to bring their presentation before the board. Mr. Shuldiner explained that MHA has been working on an approach to deal with setting PILOT's on redevelopment jobs and MHA requests that PILOT's are set based on the percentage of ownership that MHA has on the partnership of the deal. Mr. Shuldiner advised that MHA is a government agency whose board members are appointed by the Mayor and in order to prove this Mr. Shuldiner was accompanied to the meeting by MHA Board Members; Judge Gord and their newest member, Joan Deerline.

Mr. Shuldiner advised that virtually all housing development and redevelopment must be funded through tax credits and the IRS requires that the credits have to be purchased. Mr. Shuldiner added that the investors must be the owners and the real ownership as well as control lies with the general partner who makes all the decisions. Mr. Shuldiner indicated that what MHA was proposing would be a 2 tier system; one where the minority owner and the general partner and two where there are the majority owner, general partner and MHA is actually in control. Mr. Shuldiner added that MHA negotiated a 5 year PILOT payment agreement with the City of Yonkers to pay \$200 per apartment per year and rises to \$5 per unit per year in June until 2017 which will then be a total of \$220 per unit. Mr. Shuldiner stated that for the PILOT payments that have MHA as the majority owner of the partnership; MHA proposes a PILOT in the range of \$300-\$400 and where MHA is the minority owner the proposal would be \$400-\$500. Mr. Shuldiner advised that all of the properties would revert back to MHA and after the compliance the tax credits has been fulfilled. Furthermore, the tax credits that the tax credits are only around for the investors; which is a 10 year period plus a compliance period that is required by the IRS for approximately 16 years and after the project goes into the ground it then goes back to MHA.

Mr. Shuldiner explained that what was being presented before the Board referenced 2 specific projects and issued a background summary advising that Grant Park as the area bounded by Warburton, Nepperhan Avenue and Ashburton Avenue. Mr. Shuldiner added that the area has been a redevelopment target for MHA and the City; pointing out where the former 550 unit Mulford Gardens housing was once located and where Cottage Garden is currently located and emphasized that redevelopment had begun but not by demolition but by working on the School 6 project and Grant Park II a 56 unit housing development was the next phase. Mr. Shuldiner referenced the handout explaining that the money Congress provided is the capital budget for public housing and highlighted that it has been cut 40% over the last decade. Mr. Shuldiner continued on to mention that recent study of HUD says there is a \$26 billion backlog need in public housing and it was growing by \$3.4 billion per year and Congress was providing only ½ of the accruing needs and no money for backlog need. Mr. Shuldiner clarified that because of Federal Statue MHA cannot build new public housing and they are not allowed to add any units of public housing due to the fair clause amendment passed in the early 90's which capped public housing. Mr. Shuldiner explained that all that was being done when "building new" was the replacement of units.

Mr. Shuldiner described Mulford Gardens as a 550 unit housing that was demolished and built back as a 229 unit development and the additional 120 unit school house and 107 for the other 2 projects not adding stock and creating income mixes. Mr. Shuldiner added that mixed finance meant that when constructing affordable housing (now not really concentrating on poverty the way it was done in public housing average) income existing in Cottage under \$10,000 is higher than compared to what was there before but the entire neighborhood average income is \$17,000. Mr. Shuldiner advised that MHA is significantly raising the income of people living in the neighborhood and realistically providing better housing for people who qualify for affordable housing and enabling a mixed range of income.

Mr. Shuldiner added that all of the rents even the tax credits were capped and the only operating subsidiary for those units are either public housing funds, section 8 and the rest of the units would consist of operating subsidiary. Mr. Shuldiner stated that developers provide MHA with 3 really important functions: 1) apply for all the funds ie: Public School 6 who has 12 funding sources MHA has no capacity to apply for funds. 2) They get the building built which MHA does not have the internal ability to do. 3) the most critical is that the developer gets the investors and if the project goes down then the developers would have to pay the investors back their money and more importantly the tax credit investment gets taken back by the IRS and owes penalties along with the interest. Mr. Shuldiner advised that 180 Warburton Avenue, Cottage Gardens was the first phase requesting shelter rent at 5% and 7% which would look like Grant Park II which is the next phase of Mulford Gardens and 9% tax credit was granted to this project and was scheduled to close in 2012. The County Executive took back the \$1.56 million that the County had put into the project under HIF (Housing Investment Fund) and MHA has tried unsuccessfully to get the money restored and never received a reason why the money was pulled therefore MHA has tried to make up for that deficient unfortunately

when this was being done prices and interest rate had risen since the original numbers. Mr. Shuldiner advised that the tax credit award required the project to be closed in December 2013 and with the State extension allows until April 2014 therefore the deal must close within 2 ½ months from January 30, 2014.

Mr. Shuldiner explained that the \$350 unit finance deficit was \$568,000 at 7% shelter rent it would be \$889,000 and the approval of the \$350 unit would save about \$350,000. In addition, Mr. Shuldiner added that there is always the feeling that a developer could do more but the developers are transitory and basically they are here to get the job done by getting the money together, fees and to get the building completed. Mr. Shuldiner mentioned that by the end of the 15-16 year compliance period the project will be 100% owned by MHA and the investors will be out of the picture. Mr. Shuldiner advised the developer fee in the 2 projects \$2.2 million and \$2.5 million in 188 MHA 30% owner gets 30% of the fee. Mr. Shuldiner stated that Grant Park has to close in 2 ½ months and MHA can't move towards closing without a PILOT number that needs to be entered. Mr. Shuldiner advised that the banks needs to know in the next phase of the job what the PILOT number is not as pressing time wise in process for applying for 4% tax credit and advise the State what the PILOT would be MHA is looking to work out long term a formula for their redevelopment jobs and used the 2 projects as prototypes; in each case pick the midpoint range that they were seeking.

Mayor Spano inquired for verification that no additional housing is being built and they were only replacing units with mixed incomes and units were being replaced with high standards, creating jobs and more revenue out the units than what is currently being generated to date. Mr. Shuldiner confirmed Mayor's Spano's inquiry. Robert Maccariello, IDA Board Member inquired what was used as the basis for School Terrace and if there were similar estimates for the other 2 projects. Mr. Shuldiner explained that since there are multiple funding types there will be 3 different sets of tenants that would occupy the building; 2 that have operating subsidiary section 8 and public housing. Mr. Shuldiner added that the section 8 would have to be below 50% of median income and 30% of the rent is paid by the tenant leaving the subsidiary to pay the rest up to what is reasonable income. Mr. Shuldiner advised that public housing eligible for up to 80% median income and 30% is paid by the tenant then the subsidiary pays the difference but tax credits are different and when one applies for tax credits you tell the State what the target population that you are pursuing is and it can go up to 60% of median income.

Joy Carden, IDA Board Treasurer inquired if any existing tenants would be relocated and allowed to return if they fit into the income housing level. Mr. Shuldiner responded that for Cottage Gardens the arrangement would be totally different than Mulford where the tenants were moved out and construction of the first 120 units so no one was relocated since they will be moved directly into the new units.

President Jenkins indicated that the information of the numbers that were requested for tax credits were included in the packets along with the individual proposals from 2012 and various rates that were in the presentation. Mayor Spano indicated that there was no resolution being brought before the board since there will be a need for discussion.

Board Member Kischak – indicated that the Governance Committee had discussion about the topic. Melvina Carter confirmed that at the MHA PILOTS were discussed at the December 30, 2013 Governance Committee Meeting and they were provided information on the current buildings Ashburton Avenue and Croton Heights because most of those buildings were under Empire zone. Ms. Carter added that the newer buildings coming online would not have Empire Zoning and the Committee requested additional information which is provided in the IDA board meeting in the chart. Ms. Carter indicated that the City Assessor provided a baseline of what full taxes would be based on the rents on Grant Park number chart shows per unit cost at 5% and 7% shelter rent. Ms. Carter advised that Mr. Shuldiner issued MHA's side which demonstrates the deficits at each of the levels and what is in the board packet is the city's side and what the city is giving up whether it be per unit by shelter rent which as indicated by the Mayor still needs to be discussed.

Deputy Mayor Susan Gerry advised that board has been working towards process of having a higher PILOT for affordable units; 5-7% shelter rent MHA has demonstrated it is distinct and unique with public housing obligation to be replaced. Deputy Mayor Gerry advised that higher shelter rent which is a definable reason for an exception and can be discussed. Martin Ball, Sr., IDA Vice Chairman inquired if the same number of units at Mulford needs to be replaced or could the number be close. Mr. Shuldiner advised that since most of the site will be vacant even after the project is complete talks have commenced with the City about the alternative uses that would be possible for the land, not just mixed income but mixed use and commercial usage as well as the possibility for parking because there was a lack of it. Vice Chairman Ball, Sr. inquired if it is a legal requirement to build the same number of units. Mr. Shuldiner responded that it is not a requirement but depends on the time the policies were put in place and so far MHA will not be doing one for one.

Mayor advised that more discussion will be done on the matter and thanked Mr. Shuldiner.

#### **Inducement Resolution for Shree Balajee Corp.**

Mayor Spano introduced the next agenda item which was the Inducement Resolution for Shree Balajee Corp. David Rothman, Harris Beach PLLC explained that an inducement was before the board for Shree which would be located at 92 Waverly Place currently Polish Community Center and if IDA would provide a sales tax exemption, mortgage recording tax exemption and tax agreement.

Anthony Maiocchi, Shree Balajee Corp. representative apologized for not having a proper presentation due to the project moving quickly and did not have a chance purchasing the Polish Center for \$2,300,000.00 all private funding with one year mortgage for \$1.55 million and the client is personally liable for the project.

Mr. Maiocchi advised that for the last couple of years maintenance had been deferred and the Polish Center has been lowered in its condition. Mr. Maiocchi mentioned that since they were bidding against a religious group they didn't have a chance nor given the

opportunity to perform extensive engineering studies as to the condition of the building. Mr. Maiocchi explained that they know the structure needs work and it had been retrofitted for air condition which needs to probably be improved but tremendous work would still need to be done on the interior as well as the parking lot needs work. Mr. Maiocchi ensured that the exterior would not be altered but the question is the work on the inside and although they have been told everything works they are still anticipating spending about \$1,000,000.00 after closing as well as purchase price.

Mayor Spano inquired if the Polish Center was declared a landmark. Mr. Maiocchi indicated the title search didn't show landmark designation.

Wilson advised the landmark application for PCC was never taken up.

Mike Spano inquired if they would consider respecting the exterior. Mr. Maiocchi advised they plan to preserve the exterior since the building is almost 100 years old but that doesn't mean they won't want to change the windows since they are old and the building was retrofitted when built.

Mayor Spano expressed gratitude and said he was glad to have Shree Balajee invest in Yonkers.

Greg Young, Esq, IDA Counsel disclosed that Deepika is related to developer and she has no interest in development but wanted to mention to the board.

A motion was made to approve the Inducement Resolution for Shree Balajee Corp. was Martin Ball, Sr. The motion was seconded by Robert Maccariello. *Approved 6-0*

#### **Inducement Resolution for Saw Mill NY, Inc.**

Mayor Spano introduced the next agenda item which was the Inducement Resolution for Saw Mill NY, Inc. Mr. Rothman advised that the project was requesting sales tax exemption, mortgage recording tax exemption and a PILOT at 52 Main for interior renovations. Robert Niyazov, Saw Mill NY Inc. representative indicated that the property has been abandoned for many years and in poor shape, with intentions to get and install new countertops, kitchens, and fully tiled bathrooms change plumbing and heating in order to make the property fully active keeping exterior façade.

Mike Spano highlighted that City is very interested in developing the Alexander Corridor and recently had a high profile artist purchase the City jail and a lot of interest in Main Street and is glad that there are plans to keep the exterior. Mr. Niyazov mentioned there is a large space and interested in a long term tenant such as a medical office or franchise as well as discussions to put artist with Wilson.

A motion was made to approve the Inducement Resolution for Saw Mill NY, Inc. by Robert Maccariello. The motion was seconded by Joy Carden. *Approved 6-0*

Mike Spano thanked Saw Mill NY, Inc. for investing in Yonkers.

### **Approval of Guidelines and Procedures**

Mayor Spano introduced the next agenda item which was the Approval of the Guidelines and Procedures. Greg Young, Esq., IDA Counsel advised there was a minor change to the PILOT policy and gives flexibility needed when granting PILOT's.

Board Member Kischak advised that the Governance Committee met on December 30, 2013 and began discussion on the Guidelines and Procedures. Board Member Kichak enlightened the board from the financial perspective, when PILOT's are issued for 20 years one must contemplate that in such timeframe how would it be financially feasible to the City and PILOT's might need to be shortened to ensure it's benefits the City.

Mayor Spano added that the City has been pushing for shorter PILOT's and the only places where longer PILOT's were allowed was SFC since theirs was previously negotiated but housing PILOT's need to be shortened. Counsel Young, Esq. added that PILOT's could be allowed to go out longer when necessary by board's vote on length of time. President Jenkins indicated that the documents presented to board are specific for housing and extension of agreement flexibility.

A motion to approve the Guidelines and Procedures was made by Peter Kischak. The motion was seconded by Joy Carden. ***Approved 6-0***

### **Legal Updates**

Greg Young, Esq. introduced the next item on the agenda which was the Legal Updates President Jenkins advised that Cross County Shopping Center's sales tax extension lapsed on December 31, 2013 and they have requested an extension. President Jenkins highlighted that the project has not exhausted their benefits and an extension would be issued with an expiration date of December 31, 2014 if approved by the board.

A motion was made to approve the Cross County Shopping Center Sales Tax Extension was made by Deputy Mayor Susan Gerry. The motion was seconded by Martin Ball, Sr. ***Approved 6-0***

### **Other Business**

Mayor Spano referenced the next item on the agenda which was Other Business and advised that the federal government walked away from HUD nationally leaving the localities with a lot of substandard housing that needs to be upgraded. Mayor Spano emphasized that it has been the goal of the administration to elevate standards and they have been working with MHA to make life better for the City's residents which would benefit Yonkers as a whole.

Board Member Kischak advised that at a Homefield Association meeting Mr. Larkin commented that when a project comes in and says they generate a certain amount of dollars in sales tax there is no way of checking . Board Member Kischak inquired how we protect ourselves with a new property and is there a way to implement it into the resolutions. Mayor Spano advised that this proposal would be looked into.

Ken Jenkins thanked the board for consideration in appointing him as the new IDA President and looks forward to working with everyone.

President Jenkins indicated that there was an extension to Thompson & Bender's contract and advised that the details would be issued to board.

**Adjournment**

A motion to adjourn was made by Susan Gerry at 9:57 a.m. and seconded unanimously.

***Approved 6-0***