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CITY OF YONKERS
INDUSTRIAL DEVELOPMENT AGENCY

REGULAR MEETING

April 30, 2014

9:00 a.m.

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- PRESENT: MAYOR SPANO, Chairperson
CECILE SINGER, Member
ROBERT MACCARIELLO, Member
PETER KISCHAK, Member(Absent)
MARTIN BALL, SR., Member
KEN JENKINS, IDA President
SUSAN GERRY, Secretary
JOY CARDEN, Member
DEEPIKA MEHRA, IDA/CFO
JAIME MCGILL, IDA
DAVID ROTHMAN, ESQ, HARRIS BEACH

LYNN FARRELL-MILEO
830 Bronx River Road
Bronxville, NY 10708
914-776-1318

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MAYOR SPANO: The IDA regular meeting
is open. Roll call.

MS. MEHRA: Mayor Spano?

MAYOR SPANO: Here.

MS. MEHRA: Sue Gerry?

MS. GERRY: Here.

MS. MEHRA: Cecile Singer?

MS. SINGER: Here.

MS. MEHRA: Martin Ball?

MR. BALL: Here.

MS. MEHRA: Joy Carden?

MS. CARDEN: Here.

MS. MEHRA: Robert Maccariello?

MR. MACCARIELLO: Here.

MS. MEHRA: Pete Kischak, excused.

Mayor, we have a quorum.

MAYOR SPANO: We have the minutes of
March 28, 2014. Somebody want to make a motion?

MR. BALL: Motion.

MAYOR SPANO: Second?

MS. CARDEN: Second.

MAYOR SPANO: Motion by Martin, Second
by Joy. All in favor?

(Chorus of Ayes)

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MAYOR SPANO: Anybody opposed? Hearing no negatives we have accepted the reading of the minutes.

The financials, item three, financials March 2014.

MS. MEHRA: The month of March did not anticipate any closing, however, I did receive \$5,000 from Shreebalajee Corp., an agency fee. The IDA is expecting on closing on a few projects and we'll have those fees in the upcoming months. For the month of March there was \$314,000 cash on hand. We also have our accountant, Pat Serenson, to address any questions.

MAYOR SPANO: Are there any questions? Hearing no questions does somebody want to make a motion to accept the financials?

MR. MACCARIELLO: Motion.

MAYOR SPANO: Robert. Second?

MS. SINGER: Second.

MAYOR SPANO: Cecile, second. All in favor?

(Chorus of Ayes)

MAYOR SPANO: Any negatives? Hearing none, the item is passed.

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2 Item four, Inducement Resolution,
3 David Rothman, Harris Beach.

4 MR. ROTH: You have a resolution in
5 front of you this morning, an inducement
6 resolution for OZ Moving and Storage Company.
7 They have representatives here to speak about who
8 they are and what they do. They are going to be
9 moving into 498 Nepperhan Avenue. This
10 resolution and project will be a straight lease,
11 so it will be a sales tax exemption, mortgage
12 recording tax exemption and tax agreement which
13 would be consistent with the tax exemption policy
14 of the IDA.

15 MS. SEVERENO: My name is Nancy
16 Severeno, general manager of OZ Moving. Our
17 company has been in business since 1993, more
18 than 20 years, property in New Jersey. The
19 building we are looking to purchase now would be
20 a 185,000 square foot property used for storage
21 for our operations in Westchester, and in New
22 York, in the tri-state area. We are looking to
23 make great improvements on the building. We have
24 a projected cost of the construction,
25 approximately \$950,000. We expect that would

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2 create some jobs in the area. We also believe
3 that not all of our employees from New York City
4 would continue to work with us once we move for
5 traveling purposes so there would be the need to
6 find new employees in the area, as well as
7 employees to operate the property as a storage
8 facility.

9 MAYOR SPANO: Any questions?

10 Thank you so much.

11 Does somebody want to make a motion we
12 accept the inducement resolution?

13 MS. CARDEN: Motion.

14 MAYOR SPANO: Second?

15 MR. BALL: Second.

16 MAYOR SPANO: All in favor?

17 (Chorus of Ayes)

18 MAYOR SPANO: Hearing no negatives,
19 that item is passed. I just want to say
20 congratulations and welcome to Yonkers.

21 MAYOR SPANO: Item six, other business.
22 Martin Ball, I'm very happy to report, has agreed
23 to stay on Board and be reappointed. So I am
24 very excited about that. Thank you for your
25 years of service and thank you for agreeing to

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stay aboard. You have done great job for us.

MR. BALL: Thank you.

MAYOR SPANO: To the success we have seen so far.

(MARTIN BALL SWORN IN AS MEMBER OF THE IDA BOARD).

MR. BALL: Two comments, number one, I thank the Mayor for his confidence in allowing me to stay on. Secondly, I want to comment how wonderful this experience has been and to work with such a dedicated group of professionals, other Board members, and other people that are one step away from the Board members of the IDA. It's been a great relationship to know you and to sense your professionalism and I think the Mayor and I share the vision of what the success and potential of economic development can do for the City. I thank you for your confidence.

MAYOR SPANO: With that, I have asked that Martin remain as Vice Chair.

Other business, the appointment of Sue Gerry to govern this Committee. Do I have a motion?

MR. BALL: I make that motion.

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MAYOR SPANO: Second?

MR. MACCARIELLO: Second.

MAYOR SPANO: Robert.

MAYOR SPANO: All in favor?

(Chorus of Ayes)

MAYOR SPANO: Any negatives? Hearing none, the item is passed, appointment of Sue Gerry to the Governance Committee.

MR. JENKINS: Thank you, Mr. Mayor. The next item we have on the P-AAA report status, it was submitted on the time. It contained an error because one of the projects reported some inaccurate information, and in order to correct it we'll not be able to do that until 2015. But we wanted to report to the Board that the information was accurate as we submitted on time and we would not want to have any adverse effects by trying to fix it at this point in time. So we'll correct it in 2015.

MAYOR SPANO: Any questions?

MR. BALL: Correction, is that just a vote?

MR. JENKINS: It's not a vote at all, just a correction. It's not our error, it was a

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2 reporting error so we wanted it make the Board
3 aware that one of the folks that we have sales
4 tax information for submitted information that
5 was not accurate. So we did not receive that
6 until somewhat afterwards.

7 MS. CARDEN: How inaccurate was it?

8 MS. MEHRA: By like \$200,000. So we
9 are waiting on them it get the correct report, we
10 are waiting on the accounting department.

11 MAYOR SPANO: \$200,000.

12 MS. MEHRA: It was an error on their
13 end, they underreported by \$200,000. We are
14 following up on that.

15 MS. SINGER: They under reported what?

16 MS. MEHRA: Sales tax exemption
17 utilization in 2013.

18 MS. CARDEN: How was it detected?

19 MR. JENKINS: With Deepika's hard work
20 and their accounting.

21 MS. SINGER: It was an error on their
22 accountant, on their audits. It showed as a
23 correct amount?

24 MR. JENKINS: That's correct. So it's
25 important for the Board members to know that

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2 there would be adverse effects if we tried to
3 adjust it now. So even if we got that
4 information now it would appear that our report
5 was late. So the solution to that was to just do
6 that in 2015 and correct it then.

7 MS. SINGER: So it was just a typing
8 error, some kind of an error because in their
9 audit and all their reports the correct amount
10 showed it was something minor?

11 MR. JENKINS: That's correct. Other
12 questions? At this point in time, Mr. Mayor, if
13 it's okay with you to go back to the financials
14 because in the financial packet we did provide
15 the Board members as requested last month a kind
16 of a rolling budget of the projects that we had
17 going on. So you will see we want to make sure
18 everyone has the color version of it, I think
19 it's the last page of the financial package. As
20 the Board requested, we have our rolling budget
21 which is on the top and the budget actual in the
22 middle in the green, and at the bottom we have
23 our projects that are pending that have been
24 induced by this Board and what status they are
25 in, the comments on the right-hand side. If

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2 there is anything that has to be highlighted we
3 have it on the side.

4 We have two pending projects, one that
5 was induced this morning, the OZ Moving, so that
6 would move up. And then we have two target
7 projects that the folks have made inquiries. So
8 those were in the hotel area. So they haven't
9 gotten through that application process as of yet
10 so we want to keep the information at a high
11 level. So the Board members have an
12 identification of the things that we have voted
13 on and how they are moved forward.

14 MS. SINGER: It's a terrific
15 improvement really because you can see what's
16 happening at a glance. Very, Very good.

17 MR. JENKINS: Thank you. Any other
18 questions on the overview of the 50,000 foot view
19 dashboard control panel? That's an indication of
20 all the great projects the Board has approved.
21 Tiny letters on the one panel, we'll make that
22 adjustment and pull it together and have this at
23 a glance so we can provide that to you.

24 MR. MACCARIELLO: This is going to be
25 monthly?

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2 MR. JENKINS: Absolutely, contained in
3 your monthly package and if there is any
4 adjustments we are happy to make them for you.

5 MR. MACCARIELLO: Great work.
6 Thank you, Mr. Chair.

7 MAYOR SPANO: Let's go back to legal
8 updates. I know our counsel is not here but the
9 Deputy Mayor can take up the resolution to RFP
10 Chicken Island.

11 MS. GERRY: The Mayor has worked
12 diligently since he arrived to bring the fruition
13 of the issue of the Chicken Island plan that I
14 think we all knew from the time the Mayor arrived
15 was not going forward, the ballfield. It was a
16 grand plan but never got off the ground,
17 especially with the economic downturn. The
18 benefit over the two years we have been working
19 hard with the developer, SFC, is to have them
20 relinquish their rights to Chicken Island and
21 proceed with their first development of
22 residential down at Palisades Point. A lot in
23 terms of the LDA, SFC had rights to the City
24 Jail, they had rights, still have rights to 10
25 St. Casimirs, all different properties from here

1 all the way down. So there is a lot of work by a
2 lot of people around the room to get them to
3 relinquish all of their rights to Chicken Island,
4 which they have done. And there are a few
5 nuances that should be told to this Board that
6 the property at Chicken Island has Brownfield
7 clean up program rights, the developer DEC
8 program. They have you those rights and the
9 credits that may result from those if development
10 is done before the program ends. What we have
11 done we have crafted an agreement where they
12 relinquish their rights and they transfer their
13 rights to the Brownfield program to the IDA. The
14 IDA serves as kind of a holding place for those
15 rights until we find a new developer. That
16 developer, should we find them hopefully very
17 soon because we are here to ask the Board to
18 approve a new RFP for this proposed development
19 area, will agree the old developer because they
20 had put so much baseline work into securing the
21 credits and all of the groundwork and getting
22 into this program which ultimately resulted in
23 these development credits we'll be entitled to a
24 certificate percentage of the ultimate credits
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2 that come back. It's a maximum of 15 percent up
3 to \$5 million, I believe, of the Brownfield
4 credit, that result from an ultimate development.
5 If it doesn't get developed by the April 25th
6 meeting when the current program is set to expire
7 or any extension thereof then the credits go away
8 anyway. But we wanted to give the old developer,
9 SFC, the comfort level that should that site be
10 developed they get something back for all of
11 their investment over the years in the property.
12 So that termination agreement was signed last
13 week.

14 We need your Board to approve it to go
15 forward with a new RFP to help us develop that
16 property. We ask for really all good ideas.
17 This doesn't really drive in one direction or
18 another what should be developed there. We have
19 asked as part of the public give back in that RFP
20 the redevelopment of the School Street firehouse
21 which is an important building in the city's
22 history, just an important public facility. as
23 well as to be involved in some of the development
24 of the history of the area.

25 By way of another update, we are

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2 reaching a point where we expect that we'll be
3 able to demolish the Community Street block
4 between Nepperhan and Ann Street and we can sort
5 of prep it. We expect any developer of Chicken
6 Island will take a clean site that's a little bit
7 prepped and turn it into kind of more of a public
8 access point park, walkway, whatever the vision
9 is to kind of seamlessly integrate it into this
10 new property. So that's the request on the
11 table. We expect that we'll be able to really
12 serve the RFP in a week to 10 days and start
13 fresh and see what comes of it.

14 MS. CARDEN: With this development,
15 ongoing development, we're going to get rid of a
16 lot of those stores and leave the Five and Dime,
17 for lack of a better word, a historic site. Is
18 that still in the plan to get rid of all those
19 businesses, whatever they are doing?

20 MAYOR SPANO: Yes. That's past Main.
21 Everything is up to Ann Street, so that's not
22 part of that. That's okay.

23 MS. GERRY: On that block we have
24 acquired there is only one business owner left
25 still operating and they are in the process of

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moving.

MAYOR SPANO: The furniture store.
Everything else is empty.

MS. SINGER: This and the prior
that you talked about, how does it fit into the
long term development plan and the strategic plan
for the city so that we understand where it is?

MS. GERRY: Well, I think on a couple
levels, Commissioner Wilson is here, as well, can
speak. First of all, we have daylighting Phase I
done. Daylighting Phase II is now underway.
This is part of the Daylight Phase II, relates to
that. Wilson has been speaking, she's been
having conversations with different developers.

MAYOR SPANO: If I may just add one
thing to what we are doing we are not placing a
vision on the RFP we are going to put the RFP out
there and see what comes back.

MS. SINGER: Then you will be able to
look at the whole thing.

MAYOR SPANO: I thought let's see what
they want to do and see maybe it's a great idea
for us.

MS. SINGER: What about the Brownfield

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piece that you talked about, because also that's a significant place for development?

MAYOR SPANO: That will actually be a benefit to developer because the Brownfield rights are still there. That's a very important point for us, took us a long time to get that negotiated because as you can imagine they didn't want to give that up just because of the Brownfield rights. We came to an agreement that works for them and really works because it's a very generous program, works for potential developers to come in.

MS. GERRY: One other item, I can't remember the amount, \$650,000, the IDA has lent money into that project with the expectation there was going to be paid.

MR. MACCARIELLO: Have environmental impact studies been done for that area?

MS. GERRY: Yes.

MR. MACCARIELLO: So a new developer would not have any delays to do that, would they?

MS. GERRY: No. I guess to the extent that if they change it some kind of different traffic patterns. So to the extent of the

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2 credits that come back, the first \$650,000 would
3 come back to the IDA and then go to SFC because
4 there is a longstanding agreement.

5 MS. SINGER: So hopefully, we'll get
6 someone with deep enough pockets to really push
7 this through before the expiration.

8 MR. BALL: Can that expiration be
9 extended or April 15 is the the deadline?

10 MS. GERRY: There are proposals in the
11 Governance budget for extension to that program
12 although debate as to oversee justice as maybe we
13 terminate under the old agreement, old program,
14 and extend with the new, but the credits are, I
15 think, it's more the developer's call.

16 MR. BALL: Any new developer knows they
17 have to get in before April 15.

18 MS. SINGER: Because they want to
19 conclude, because all the dollars because the
20 Governor wants to limit what's going out.

21 MS. KIMBALL: There's been an active
22 legislative session on the Brownfield. We find
23 many of the attorneys who do Brownfield work here
24 and attorneys from other municipalities, have
25 reached out to us to advocate, lobby in Albany to

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help extend the bill.

MS. SINGER: You can advocate and
advocate, if it doesn't fit in with the
Governor's long term plan.

MS. KIMBALL: So we are not sure, I
guess we are not sure what the terms of the new
deal will be because they haven't come down yet,
but we know it won't be as generous as it was in
the past simply because the state can't afford
generous any more. The redevelopment plan we
have noticed after Daylighting I, there's been an
uptic in the amount of economic development,
tourism to see the Daylighting, and includes
Tenants like Mindspark and Tony Schwartz who told
Joe Cotter, the Mayor and the Mayor's people they
came here because the daylighted river makes a
beautiful entranceway, creates a different vibe
in the downtown, and their employees like that
vibe, or the clients like that vibe and they come
here and created a different image for the City
and Daniel Wolff shared that with the Mayor. So
now we are moving that success to Mill Street.
We had the announcements a month ago or couple
weeks ago that have sparked that change, has made

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2 people like Nick Spreyregan, who owns buildings,
3 they are now actually renovating their buildings
4 that were sort of vacant for the last decade and
5 we see that as we put money into the system the
6 state gives us more grant money and local
7 developers sort of land bank their property, are
8 now developing it some we are taking that to the
9 next stage which is the block the Deputy Mayor
10 talked about between Ann and Nepperhan. The
11 state grant did not allow us to buy the
12 residential across the street and so we stopped
13 in one block for a park, so definitely it will be
14 a park and will have the water feature of the Saw
15 Mill there, and hopefully the next water feature
16 will be Chicken Island.

17 One of the another precautions that we
18 took what we found is in the past the previous
19 administration did not include construction
20 bonding or a deposit on their submissions for
21 RFPs. We have found the Boyce Thompson and the
22 other fees we have issued that by asking for a
23 deposit of five or 10 percent, it sort of
24 separates the wheat from the chaff and we get
25 better deeper pockets applying and more serious

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2 contenders. So that's been very successful. And
3 when the Boyce Thompson interviews are over we
4 hope it will be a great announcement and you will
5 see that that new process has led to better
6 developers.

7 MS. SINGER: That sounds great,
8 thank you.

9 MS. GERRY: Important point, other RFPs
10 we ask 10 percent and they are like, okay, well
11 maybe in six months all the stars are lined.

12 MAYOR SPANO: Any other questions?

13 MR. BALL: Does this need a motion?

14 MAYOR SPANO: Yes.

15 MR. BALL: I make that motion.

16 MR. MACCARIELLO: Second.

17 MAYOR SPANO: Robert, second. All in
18 favor?

19 (Chorus of Ayes)

20 MAYOR SPANO: Any negatives?

21 Resolution to RFP Chicken Island is passed.

22 Our Corporation Counsel is here to
23 talk about lead agency designation for the
24 Norwich Yonkers LLC.

25 MS. RAMONS: I haven't spoken to Mike

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about that.

MR. JENKINS: In front of us today is an approval of lead agency designation for the Norwich project. It was a recommendation that the IDA take that lead agency position in order to protect the interest of the city in this matter.

MAYOR SPANO: Any questions?

MS. GERRY: I recall there was a conversation about the City Council had 30 days to get involved and that time has passed. So just so you're aware of that pretty much.

MR. JENKINS: It does not.

MAYOR SPANO: Any questions? Somebody make a motion?

MS. SINGER: Motion.

MAYOR SPANO: Second?

MR. BALL: Second.

MAYOR SPANO: All in favor?

(Chorus of Ayes)

MAYOR SPANO: Hearing negatives the item passed.

MR. BALL: Last week there was a public hearing on that and there were about 50, 60

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2 workers from the Hotel Union Association showed
3 up. I just want to compliment how well run and
4 behaved they were. You're standing here for a
5 public hearing, you see 50 people, but I just
6 want to compliment that group the way they made
7 their presentation and conducted themselves very
8 well. Just wanted you to know that.

9 MAYOR SPANO: Thank you.

10 MR. JENKINS: On the point that
11 Mr. Ball is just making about the public hearing,
12 Mr. Mayor, there would certainly be a
13 recommendation to listen to those comments and
14 bring that back potentially.

15 MAYOR SPANO: So we'll not be taking
16 that matter in this meeting. Just wanted to make
17 sure that everybody's voices were heard and we'll
18 take the matter up at a later time.

19 MR. JENKINS: Mr. Mayor, the final item
20 is there would need to be Executive Session on
21 this particular item as it was a legal issue with
22 Ridge Hill on a sales tax issue. So that would
23 be the recommendation that you need to make. We
24 do have our transaction counsel that we would
25 maintain, David Rothman, from Harris Beach, that

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would be able to help us do that because they were involved intimately in this particular discussion.

MAYOR SPANO: There is a motion, someone make a motion to go into the Executive Session?

MS. SINGER: Motion.

MAYOR SPANO: Identified as ST-60 Ridge Hill. Somebody want to second?

MR. BALL: Second.

MAYOR SPANO: All in favor?

(Chorus of Ayes)

(Executive Session)

MAYOR SPANO: Welcome back everybody. The Deputy Mayor has a resolution.

MS. GERRY: Yes, first in Executive Session we discussed the fact that there have been a clerical error and recording an action that this Board took a year ago with respect to Ridge Hill and an expansion and extension of its sale exemption. So as a result of the discussion we had in Executive Session, we are putting forth a resolution before the Board to correct the paperwork, which I believe was referred to as

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2 ST-60 which reflects the sales tax exemption
3 authorized by this Board to reflect the action
4 taken in March 2013 to both extend and expand \$2
5 million tax exemption allowable to Ridge Hill.
6 So with that said, is there a motion to approve?

7 MS. SINGER: So moved.

8 MS. CARDEN: Second.

9 MAYOR SPANO: All in favor?

10 (Chorus of Ayes)

11 MAYOR SPANO: Any opposed? No
12 negatives, the items is passed.

13 MAYOR SPANO: Motion to adjourn?

14 MS. SINGER: Also would be interesting
15 at some point to have some of the people from
16 Ridge Hill to find out how they are doing because
17 it's been good for them to reach into so many
18 areas, they have opened all the restaurants that
19 I keep wondering what it can draw and if people
20 are in the black now or how much is in the wind.
21 Since it was something that began here at the
22 IDA, this was totally an IDA project. There is
23 so much discussion for such a long time it just
24 would be interesting for us to know what's
25 happening there.

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2 MAYOR SPANO: We'll work on getting
3 them here. Ken was just mentioning that Banana
4 Republic is opening.

5 MS. SINGER: They have certainly
6 promoted it, every time I see a new restaurant
7 open it's a vote of confidence in how much you
8 can draw there, for the City of Yonkers. It's
9 very interesting to see how you can develop a
10 single piece of property attached to really
11 nothing and bring enough people there for
12 everybody to be in the black and continue to
13 develop it. And whether with the condominiums
14 whether they are doing any better. They are
15 renting now instead of selling and whether
16 because they have all the pieces for future
17 development, whether there is some way that the
18 IDA can help them to get to the next place and
19 develop another condominium.

20 MAYOR SPANO: All that would bring
21 internal people into the process which if you can
22 change that mix you can make it even more
23 successful. Appreciate it. We'll work on it.

24 MAYOR SPANO: Any other business?
25 Motion to adjourn?

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MR. MACCARIELLO: Motion.

MAYOR SPANO: Robert. Second?

MR. BALL: Second.

MAYOR SPANO: All in favor?

(Chorus of Ayes)

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C E R T I F I C A T I O N

STATE OF NEW YORK)

) SS.

COUNTY OF WESTCHESTER)

I, Lynn Farrell, Court Reporter and Notary Public within and for the County of Westchester, State of New York, do hereby certify:

That I reported the proceedings that are hereinbefore set forth, and that such transcript is a true and accurate record of said proceedings

AND, I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand.

Lynn Farrell