



**Yonkers Industrial Development Agency
Regular Board Meeting Minutes
February 25, 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
Cecile D. Singer, Board Member – participated telephonically

Absent Members

None

Non-Members Present

Ken Jenkins, IDA President
Deepika Mehra, IDA/YEDC CFO
Jaime McGill, IDA Staff
Fiona Rodriguez, IDA Staff
Patrick Serenson, IDA Accountant
Gregory Young, Esq., IDA Counsel
David Rothman, Harris Beach PLLC
Marty Wilson, Darden Restaurants
Dan McRae, Darden Restaurants
Joseph Shuldiner, Municipal Housing Authority City of Yonkers
Jim Cavanaugh, Thompson & Bender
Wilson Kimball, City of Yonkers Planning & Development
Michael Curti, City of Yonkers Corporation Counsel
Dom Scafidi, NRCC
Paul Sabot, NRCC
Chuck Lesnick

Roll Call

Ken Jenkins, IDA President called the meeting to order at 9:13 a.m. A roll call was taken. Deputy Mayor Susan Gerry, Martin Ball, Sr., Joy Carden, Peter Kischak, Robert Maccariello were present. Cecile Singer was conferenced into the meeting telephonically (vote would not count) and Mayor Spano was running a little late.

Approval of the Minutes for January 30, 2014

Ken Jenkins, IDA President introduced the next agenda item which was the Approval of the January 30, 2014 Minutes. The board members were given ample time to review the minutes. Martin Ball, Sr., IDA Vice Chairman indicated that a correction was needed to page 5 for the purchase price of the Polish Center which listed the price at \$23,000,000

and should be corrected to read \$2,300,000.

A motion was made to approve the Minutes with the amendment of page 5 by Martin Ball, Sr. The motion was seconded by Deputy Mayor Susan Gerry. *Approved 6-0*

Approval of the Financials for January 2014

President Jenkins introduced the next Agenda item which was the Approval of the Financials for January 2014. Deepika Mehra, IDA/YEDC CFO indicated that for the month of January there were no project closings but there were a few projects in the pipelines and hopeful they will close soon. CFO Mehra explained that Agency was minimizing expenses until the revenues were caught up and the January cash on hand amount was \$301,000. CFO Mehra highlighted that the Agency was working on the audit which contained a few open items such as reviewing the notes to the financials, awaiting receipt of the remaining bond confirms as well as gathering information for the PAAA annual report in preparation for the next board meeting.

A motion was made to approve the Financials for January 2014 by Peter Kischak. The motion was seconded by Joy Carden. *Approved 6-0*

Resolutions for Consideration: Inducement Resolution for Darden Restaurants Inc. – (Two Restaurants in Cross County)

President Jenkins introduced the next Agenda item which was the consideration for the Inducement Resolution for Darden Restaurants Inc. Mayor Spano arrived to the meeting at 9:22 a.m. David Rothman, Harris Beach PLLC explained that Darden was looking to attain the approval of the board to induce the two Cross County Shopping Center restaurants which would be Olive Garden and Longhorn Steakhouse. Mr. Rothman emphasized to the board that the project is only looking to receive sales tax exemption benefits from the IDA and indicated that Darden's representatives were present to further describe their project. Dan McRae, Darden Restaurants highlighted that Darden is the largest full service restaurant company in the world that includes such brands as Red Lobster, Yard House among others and are dedicated participants of the Harvest Program which donates large amounts of food to help feed local families instead of discarding. Mr. McRae advised that two of their brands opened in Yonkers, Yard House in Ridge Hill and Red Lobster in Cross County Shopping Center; Mr. McRae advised that Red Lobster would be separating its ties with Darden but this would have no affect on any of the restaurants.

Marty Wilson, Darden Representative advised that Olive Garden and Longhorn Steakhouse would have a unique 15,000 sf set up at the Yonkers location than it's usual stand alone set up; the two restaurants would be built as one structure and share a wall. Ms. Wilson added that the incurred costs for construction, design and furnishing would be \$8.8 million comprised of all union labor and the number of full time/part time employees would be 125-145 which calculates to 103 full time equivalents.

Robert Maccariello, IDA Board Member referenced the Darden application project 6 month timeframe at \$4.1 million in labor costs and calculated based off of 150 laborers (per application) that the salary per laborer would be \$27,000 far below union wage.

Ms. Wilson advised that the Darden construction group would need to take another look at the numbers and advise the board. Mayor Spano explained that if the Darden is committed to utilizing union labor they can be induced and return to the board with revised numbers. Deputy Mayor Gerry inquired if there was a secondary resolution. Mr. Rothman indicated the next step after the approval of the initial resolution would be to hold a public hearing and then put forth a final resolution; Darden could then return to the board with revised numbers.

Mayor Spano asked if there were any other questions. Chuck Lesnick inquired the average wages that were paid to Darden's employees and the status of the Green Buildings Standards Survey. Ms. Wilson responded that the restaurant managers are paid \$55,000+ and the other staffs are paid \$13 per hour; Darden was in receipt of the survey and it was being reviewed.

A motion was made to approve the Inducement Resolution for Darden Restaurant Inc. by Deputy Mayor Susan Gerry. The motion was seconded by Martin Ball, Sr.
Approved 6-0

Resolutions for Consideration: PILOT for MHA Grant Park II Resolution

Mayor Spano introduced the next agenda item which was the Approval of the PILOT for MHA Grant Park II Resolution. President Jenkins explained the PILOT analysis spreadsheet before the board contained additional calculations as requested by the IDA Governance Committee and based on Mr. Shuldiner; MHACY presentation at the January 30th board meeting. President Jenkins added that after MHACY's presentation the IDA staff worked diligently, analyzing the various numbers based on the developers original proposal which resulted in the PILOT Analysis spreadsheet for Grant Park II. President Jenkins highlighted that different options were color coded on the spreadsheet for easy identification; the developer's proposal was coded in yellow and MHACY's proposal was coded in blue. President Jenkins referenced the lines with 5% and 7% proposals and at the end of the spreadsheet identifies the numbers from the original shelter tax credit and PILOT numbers from housing. President Jenkins advised that there is a fixed number calculated at the Federal and State levels for the different types of affordable housing which is based on the developer's proforma. President Jenkins recommended that the 5% with 2% annual escalator be taken into consideration; this would include annual rent increases. Deputy Mayor Gerry made reference to the very bottom line on the spreadsheet and stated that the City of Yonkers and the IDA uses this as a guideline for overall full tax savings and the typical PILOT goal percentage at 35% that climbs with each declining PILOT payment. Mayor Spano asked if there were any questions or comments. Joseph Shuldiner, MHACY commented that MHACY would be 100% general partner for Grant Park II once it is built and no longer Landex's property and MHACY was seeking help since the County pulled \$1.56 million in funds therefore MHACY had to borrow money which reduced their cash flow. Mr. Shuldiner emphasized that under the direction of HCR advised the project must close by April 30th and commence construction by May 5th. Mayor Spano asked if there were any questions. Vice Chairman Ball, Sr. inquired if there were any issues with the dates mentioned by Mr. Shuldiner. President Jenkins responded that the dates would not be a problem since Grant Park II can start based on the approvals that are already in place. Mayor Spano

mentioned that no one is thrilled with the tax incentives but MHACY is a part of the City and there is a lot of affordable housing that is in need of repair; essentially what is happening is that the City is taking housing out and replacing them and MHACY is making the affordable housing mixed income. President Jenkins added that the direction from Federal government on housing units is to have that blend and it is a requirement in order to cover costs since 100% subsidized housing can not accomplish this.

Deputy Mayor Gerry explained that the recommendation for the 5% with 2% escalator is way over target but taken into consideration that 35% savings is the rate the City hopes to apply to developers of any kind but sliding back a bit for affordable housing trying to get 7-10% shelter rent for affordable, but since this is MHACY a public authority who has an obligation to replace units this would be a special rate that wouldn't be applied to all affordable housing. Joy Carden, IDA Board Treasurer inquired if this would have an impact on any other affordable housing. Mayor Spano indicated that the MHA is a part of the City and wants to replace as much as possible which would be advantageous to Yonkers.

A motion was made to approve the PILOT for MHA Grant Park II Resolution at 5% with a 2% annual escalator by Deputy Mayor Susan Gerry. The motion was seconded by Joy Carden. ***Approved 6-0***

Legal Updates

President Jenkins introduced the next item on the agenda which was the Legal Updates. Peter Kischak, IDA Board Member inquired about the status of the sales tax tracking. Counsel Young, Esq. advised that he would look into Board Member Kischak's inquiry and have an update at the next board meeting

Other Business

Mayor Spano referenced the next item on the agenda which was Other Business. President Jenkins advised that the IDA has received 50% of Cross County Hotel's Agency fee in the amount of \$75,000 and expects the other 50% by the 3rd quarter of 2014. Mayor Spano highlighted the Cross County Hotel groundbreaking event taking place on Wednesday, February 26, 2014 at 10:00 a.m. an invite would be circulated to the board.

President Jenkins highlighted that Fast Linens are looking to close by the end of February. Robert Maccariello, IDA Board Member inquired if there were any projects that were on hold and if Collins has made any progress. Mayor Spano responded that during the last conversation with Collins and Alan Litt they were both getting their financing in order so they weren't waiting on anything more from the City.

Adjournment

A motion to adjourn was made by Robert Maccariello at 9:38 a.m. and seconded by Peter Kischak. ***Approved 6-0***