



**Yonkers Industrial Development Agency
Regular Board Meeting Minutes
March 27, 2013**

Present Board Members

Mayor Mike Spano, Chairman
Deputy Mayor Susan Gerry, Secretary
Joy Carden, Treasurer
Cecile D. Singer, Board Member
Peter Kischak, Board Member
Michael Baratta, Board Member

Absent Members

Martin Ball, Sr., Vice Chairman

Yonkers City Council Representative to IDA

Chuck Lesnick, Council President

Non-Members Present

Jesus Lopez, YEDC/IDA CFO
Patrick Serenson, Accountant
David Rothman, Harris Beach PLLC
Annie Huang, City of Yonkers
Wilson Kimball, City of Yonkers Acting Commissioner of Planning and Development
Mary Alice Brady, City of Yonkers Planning and Development
Laurie Duffy, Fast Linen Service Inc.
Hezi Aris, Yonkers Tribune

Roll Call

Mayor Spano called the meeting to order at 9:00 a.m. A roll call was taken. The following Board Members were noted to be present: Mayor Mike Spano, Deputy Mayor Susan Gerry, Cecile D. Singer, Peter Kischak, Joy Carden, Michael Baratta and Chuck Lesnick Council Representative. Martin Ball Sr., was excused. A quorum was established for the conduct of business.

Approval of Minutes for March 5, 2013 Meeting

Mayor Spano referenced the first item on the Agenda which was the Approval of Minutes for March 5, 2013 meeting. No changes were needed to the Minutes.

A motion was made to approve the Minutes for March 5, 2013 by Joy Carden. The motion was seconded by Peter Kischak. *Approved 6-0*

Approval of Audit 2012

Mayor Spano introduced the next item on the Agenda which was the Approval of the 2012 Audit. Melvina Carter, IDA CEO indicated that the in the packets that were issued to the Board included the Audit for the year ending 2012. CEO Carter explained that the IDA Audit Committee and the auditors at O'Connor Davies met on March 21, 2013 to review the audit materials. Cecile D. Singer, IDA Board Member and Audit Committee Member advised that at the Audit Meeting O'Connor Davies was unable to find fault with the way the IDA was being managed. Board Member Singer added that it was commendable that during a period of change with CEO Carter and the Agencies personnel structure to find that everything was running properly and the structure was sound.

CEO Carter highlighted that the audit was very comprehensive and contained financial information along with supplemental that outlines all the outstanding bonds; the bonds were not a liability of the IDA but must be reported on since the Agency facilitated the issuance of them.

Mayor Spano commended CEO Carter, Jesus Lopez, IDA CFO and the IDA team for performing a great job.

A motion was made to approve the 2012 Audit by Peter Kischak. The motion was seconded by Deputy Mayor Susan Gerry. *Approved 6-0*

Approval of PAAA 2012 Annual Report

Mayor Spano introduced that next item on the Agenda which was the Approval of PAAA 2012 Annual Report. CEO Carter advised that the Board packet had been issued to the Board a few days ago and reference the PAAA 2012 Report Summary that demonstrated what the IDA must submit to New York State. CEO Carter added that the report summarized the Operations and Accomplishments as well as highlights the 3 deals that were closed in 2012 which were Instock Cabinets, 244 South Broadway and Teutonia Phase I. CEO Carter indicated that the report also highlights other activities throughout 2012 and mentioned that the actual report would be submitted to New York State by either March 27th or March 28th if the Board approves it. CEO Carter explained that the report was very comprehensive and the information provided to the Board was a summary of the extensive report.

Chuck Lesnick, City Council President inquired if there were two reports; one for IDA and one for YEDC. CEO Carter advised that there were two reports enclosed the annual audit and the summary. Council President Lesnick inquired if the Ridge Hill job creation was circulated as part of the report. CEO Carter confirmed that Ridge Hill was part of the report along with every active IDA project and added that the report accounts for permanent jobs created, jobs retained and construction job if there were any.

A motion was made to approve the PAAA 2012 Annual Report by Michael Baratta. The motion was seconded by Joy Carden. *Approved 6-0*

Approval of Financials for February 2013

Mayor Spano introduced the next item on the Agenda which was the Approval of Financials for February 2013. CEO Carter referenced the monthly financial report for IDA activity which showed \$390,000 in cash accounts and the IDA revenues have been slow therefore the expenses reflect the slowdown. CEO Carter mentioned that the IDA anticipates closing on Public School 6 project depending on when they get through their HUD process and IAC Search LLC was expected to close within a few weeks.

Peter Kischak, IDA Board Member inquired if the Agency would be doing any advertising in 2013. CEO Carter advised that there is an anticipation of doing advertising but the Agency is waiting on IAC Search to close since that is a larger Agency fee. CEO Carter added that once the project closes there are plans to do some citywide campaigns for Economic Development initiatives.

Council President Lesnick inquired if the Agency advertises that Yonkers is the best place to do business or does the Agency get IDA deals as a result of the advertising. CEO Carter clarified that first and foremost the ads address that Yonkers is doing well and as well as what the Agency has to offer as an image. CEO Carter added secondly the ads attract other developers and investors into Yonkers to continue with the development.

Council President Lesnick mentioned that the City and IDA has been working hard on the Blueprint Showcase for April 24th and inquired if the IDA would have a role in the event. CEO Carter confirmed that the IDA was involved and partnered the City of Yonkers and the Westchester County Association in the event with the expectation of about 150 developers, real estate brokers and investors to come and take a tour of Yonkers which will then be followed by a keynote address by the Mayor at lunchtime.

Jesus Lopez, CFO IDA highlighted that the Showcase is set to commence at Ridge Hill then proceed to a tour of the City; showing a couple of properties some of which belong to the City. CFO Lopez concluded that the tour would go north of the City then return to Ridge Hill for lunch. Deputy Mayor Susan Gerry advised that the Showcase model has been used in New Rochelle and White Plains this Westchester County Association initiative has had great success. Mayor Spano inquired since the tour starts at Ridge Hill why end there also. Council President Lesnick responded that Ridge Hill was the ideal choice since it allows the guests to park their vehicles and get back easily.

CFO Lopez explained that there will be a stop at the Raceway also for a coffee break. Council President Lesnick mentioned that he had attended the last 2 tours and encourages the IDA to mingle amongst the others on the tour.

Joy Carden, IDA Board Treasurer highlighted that the IDA did do a similar event with the ferry tour a few years back. Board Member Kischak inquired if the advertisement with the airport was expensive. CEO Carter advised that the airport ad was expensive and did not get a lot of feedback in terms of people indicated that was what brought them to the IDA or Yonkers. CEO Carter added that the Agency would be working with the public relations firm to figure where the best place to target for advertisements is. CEO Carter indicated that there will be a two fold promotion, one for the City's image as well as to promote that the City as the place to do business and to attract other investors and developers.

A motion was made to approve the Financials for February 2012 was made by Michael Baratta. The motion was seconded by Peter Kischak. *Approved 6-0*

Council President Lesnick inquired about the status of Teutonia and Vicky Inc. CEO Carter advised that both projects are under construction and Vicky/244 South Broadway was a mixed use building with residential units on the top and some commercial space on the bottom. CEO Carter explained that Vicky was right across from White Castle on South Broadway and added that the project had issues with attaining funding but did receive money recently. In conclusion CEO Carter informed the Board that renovations were underway and they do have commercial tenants.

Council President inquired if tenants were in place. CEO Carter advised that the building has two sides– 248 South Broadway has all of its residential tenants and commercial tenants and 244 South Broadway is the side that needed the extra money for renovations in order to wrap up. Council President Lesnick inquired about the income range for the building. CEO Carter indicated that she would look into getting the information. Council President Lesnick inquired about the progress of Instock Cabinets. CFO Lopez explained that Instock was still under renovation and moving along with the construction, CFO Lopez mentioned that there were a few issues with construction in the beginning of the year one such issue was that the engineer that was hired to install the sprinkler system made a mistake and installed the smaller home sprinklers therefore the Fire Department did not approve. CFO Lopez advised that he would get an update to Council President Lesnick regarding the opening of the project

Mayor Spano inquired if the entire building would be used for only 40 positions. CFO Lopez explained that Instock plans to have their warehouse and showroom at the Yonkers location. Board Member Singer reminded the board that Instock did say that as they expanded they would hire more employees and a building of that size would give them that ability. CFO Lopez would provide the Board with an update on Instock Cabinets construction and opening.

NOTE: CFO Lopez provided the information to the Board on April 10, 2013.
244 South Broadway: Rent is as follows: \$999 for a one bedroom, \$ 1325.00 for two bedrooms, and \$1500.00 for three bedrooms.

In Stock: They received the final construction approval/permits on Wednesday March 27, 2013 which allowed them to start the construction phase on April 4. The construction will take approximately four weeks and according to Benny (Hysen Mehmetaj - Owner) they are planning to bring the employees within two weeks from now (In Stock will use all the property for their business).

Approval of Inducement Resolution for Fast Linen Service Inc.

Mayor Spano introduced that next item on the Agenda which was the Approval of Inducement Resolution for Fast Linen Service Inc. David Rothman, Harris Beach PLLC explained that the inducement resolution would authorize a public hearing to provide sales tax exemption, mortgage recording tax exemption and property tax abatement for the project that will be located at 945 Nepperhan Avenue. Laurie Duffy, Fast Linen Service Inc. representative advised that the company was currently located in the Bronx and has been looking to expand to Yonkers. Ms. Duffy highlighted that Fast Linen provided linen for restaurants, caterers and hotels and after looking at about 15 other locations they felt Yonkers was the place they needed to be. Ms. Duffy added that they currently employ 30 workers and half of them live in Yonkers. Ms. Duffy highlighted that the company plans to add 15 new jobs.

Council President inquired what company had occupied 945 Nepperhan Avenue. Ms. Duffy advised that Barry Coffee House was the prior tenant at the location and they were relocating to Elmsford. Council President Lesnick inquired that when job creations are being done does the Agency look at net gain minus Barry Coffee House leaving the City or just the gross. CEO Carter advised that from the IDA's perspective what is being brought in is what the Agency looks at. CEO Carter added that no one has been in contact with Barry Coffee House to see how many employees they had and if they were consolidating that is why they were relocating.

Council President Lesnick inquired about Fast Linen's process and the environmental aspects with green technology. Ms. Duffy responded that all the machines that Fast Linen uses are green machines and they have had conversations with Con Edison who have confirmed that the machines were approved to be environmentally friendly.

Board Member Singer inquired what the aggregate annual dollars were for the company. Ms. Duffy advised that Fast Linen has an estimated \$2 million in sales and that the Bronx location was too small which was holding the company back from the potential work they could be performing if the location was larger. Ms. Duffy emphasized that in the past 5 years the company has grown 5-10% each year through the recession. Board Member Singer inquired about where was Fast Linens service areas. Ms. Duffy advised that Fast Linen services the tri-state area, New Jersey and Long Island.

Council President Lesnick inquired that since Fast Linen will be generating some sales tax to the City but would like to know how much sales did Barry Coffee House generate at the location that Fast Linen will be taking over in order to assess what the city is losing to if it is a net loss or gain. CEO Carter agreed that type of information would be good to have and she would coordinate with the Administration to capture the information with

the companies that were coming in and leaving Yonkers. Council President Lesnick indicated that NYSEERDA performs energy audits and there are all sorts of opportunities such as solar panels and geo thermal which Council President Lesnick recommended that Ms. Duffy look into in order to be more energy efficient.

Board Member Kischak inquired where 945 Nepperhan Avenue located. CEO Carter responded that Roberts Avenue and past the old Precision Valve site. CEO Carter advised that Fast Linen is a small project and although the IDA usually assists larger projects when there is an opportunity to assist a smaller project the Agency will gladly help especially since the business will bring jobs to the City of Yonkers.

Council President Lesnick inquired if the main benefit would be sales tax exemption. CEO Carter advised that the benefits Fast Linen would receive would be mortgage recording tax exemption for the purchase of the building and sales tax exemption on the purchase of materials and equipment and they will also receive a short term PILOT.

Council President Lesnick inquired about the result of the Governor's proposal to limit the sales tax abatement. Shawn Griffin, Harris Beach PLLC advised that the proposal has not been included in the current State budget and the Mayor, Senate and Assembly were all pushing to have the proposal removed and ended up that the old retail limitation has been put back in. Mr. Griffin pointed out that the IDA will have to do some new reporting and the Tax Commissioner was trying to do what the Governor wanted but Harris Beach will be keeping an eye on the outcome other than that the Agency is in pretty good shape.

Deputy Mayor Gerry advised that the City was developing a series of small business initiatives through the Department of Planning and Development and the Building Department. Deputy Mayor Gerry added that the package has been tentatively completed and it could help in streamlining building permits and indicated that Planning commissioner Wilson Kimball was present in case Ms. Duffy was interested in speaking with her.

Mayor Spano thanked Ms. Duffy and Fast Linen for choosing and investing in Yonkers

A motion was made to approve the Inducement Resolution for Fast Linen Service, Inc. was made by Deputy Mayor Susan Gerry. The motion was seconded by Michael Baratta.
Approved 6-0

Legal Updates

Mayor Spano introduced the next item on the Agenda which was the Legal Updates. CEO Carter mentioned that Greg Young, IDA Counsel was unable to be present at the meeting because he was under the weather. CEO Carter opened up the discussion regarding FC Yonkers request for sales tax exemption extension and reflected that at the last board meeting held on February 19th there were a few questions by the board. CEO Carter advised that since that board meeting the board had been issued the information

requested. CEO Carter inquired if the board had any questions and if there were none proposed that the extension be considered which would then extend the exemption until December 31, 2013 so that the work could continue. CEO Carter indicated that the extension would provide opportunity for FC Yonkers to return to the board and issue a project update as to where they are with sales tax savings.

CEO Carter summarized the FC Yonkers job count for the years 2007-2012 which totaled for construction jobs 3,800 and for permanent jobs 2,000. Council President Lesnick inquired what percentage of the project had been built. CFO Lopez advised that the percentage was difficult to assess since FC Yonkers have plans to build a hotel and residential units but have not decided when this would happen. CFO Lopez estimated that the project was about 60-70% completed.

Council President Lesnick inquired about the proposed hotels such as Boyce Thompson site, Yonkers Raceway and Ridge Hill and the capacity to absorb as well as the hotel occupancy tax. Deputy Mayor Gerry mentioned that the capacity was unlimited in terms of overflow from New York City and to bring people to the Yonkers region therefore Yonkers can keep building hotels.

Council President Lesnick inquired if Yonkers gets a hotel occupancy tax and if a portion would be directed to joint marketing for tourism. Deputy Mayor Gerry advised that all are in favor of dedicating monies towards the promotion of Yonkers but until the occupancy tax is passed there is no active plan to market the hotels. Deputy Mayor Gerry highlighted that there is a plan to work with developers to build funding base to market the Yonkers outside of the City.

Council President Lesnick suggested that there should be some type of packet to promote Yonkers at the hotels. Board Member Kischak commented that Council President Lesnick's concern about tourism should be directed to the City Council and the Mayor's office not to the IDA.

Board Member Singer highlighted that there was an article to expand the Lord and Taylor hours at Ridge Hill until 10 p.m. which demonstrates that Ridge Hill is still in its infancy in developing as consumers are becoming more aware of the shopping center. Board Member Singer added that the later hours are a benefit because it will create more jobs. Board Member Kischak explained that the fact Ridge Hill has been flourishing although they came during a recession is a benefit to Yonkers. Mayor Spano agreed that Ridge Hill has been a huge success for the City of Yonkers.

A motion was made to approve the FC Yonkers Sales Tax Exemption Extension by Cecile D. Singer. The motion was seconded by Peter Kischak. ***Approved 6-0***

Other Business

Mayor Spano introduced the next item on the Agenda which was Other Business. CEO Carter indicated that the NYS IDA's responses to annual fee inquiry was informative when the Agency looked at revenues recognized that we haven't been generating as

quickly as needed therefore the Agency took a look at other IDA's in terms of how they charge an annual fee. CEO Carter pointed out that the report provided to the board had been worked on and generated from January to March. CEO Carter explained that there were over 45 active projects for the City of Yonkers and the Agency has reached out to all of them and to find out if they charged annual fees for the required annual ongoing report. CEO Carter added that of the 24 IDA's that responded 8 do charge a fee which varies and the IDA would like to begin discussion with the board whether or not to assess a fee for the active IDA projects. CEO Carter indicated that the fee ranged from \$250-\$3,000 and would like the board to give feedback regarding the fees.

Board Member Singer inquired if the fee assessment would be on a percentage basis. CEO Carter responded that some IDA's charge flat fees and one that does a range. Board Member Singer suggested that a proposal would be put together for the board to review. Board Member Kischak inquired if Westchester County IDA charges a fee. CEO Carter advised that WIDA did not respond but New Rochelle charges \$1,500 a year and the rest of IDA's are scattered with their fee amounts.

Mr. Griffin mentioned that about 8-10 years ago IDA's had decided to charge an annual fee and that was written into some agreement. Mr. Griffin suggested that the best way to incorporate a fee to the project would to implement it as part of the PILOT payment as an administrative charge. Council President Lesnick inquired if the fee would be for new projects or would it also apply to past projects and would it change the relationship for a company that didn't expect to receive a fee when they originally came to the IDA.

CEO Carter advised that there are 45 active projects and there would need to be a discussion with the other IDA's to find out how they implemented their fees. Mayor Spano suggested that the fee could possibly be applicable to all active projects. CEO Carter agreed that was what the Agency had in mind and would work on a proposal to circulate to the board for discussion.

Michael Baratta, IDA Board Member suggested that if the projects responded within a certain period of the deadline then the fee could be waived. CEO Carter advised that the suggestion would be put into the proposal.

Deputy Mayor Gerry commended Mary Alice Brady and the Department of Planning and Development for helping to work on the process with Fast Linen and highlighting what Yonkers has to offer.

Board Member Kischak was looking for clarification on the new building that was proposed to be built behind Stew Leonard's and the Austin Avenue site and if the land was Westchester County IDA property or YIDA. CEO Carter advised it was WIDA property. Board Member Kischak inquired if there was a lawsuit with the IDA and WIDA a few years ago. Deputy Mayor Gerry explained that she was with the WIDA at that time and there were a lot of issues with Austin Avenue such as the withholding of the County share of taxes was with the PILOT and supplemental PILOT for cleanup of the site which was formerly Yonkers Landfill and Yonkers had the liability for the cleanup.

Deputy Mayor Gerry added that the property was County owned and Austin Avenue's party agreement had very complicated rental formulas there was also the County claim for unpaid PILOT payment and the City had a claim for unpaid rental payments. Deputy Mayor Gerry advised that there was a negotiated settlement made under the prior administration for both the City and County which was revisited by the new County administration and tentatively acceptable.

Board Member Kischak inquired if Target goes through does it goes before WIDA or YIDA. Mr. Griffin advised that YIDA should be doing the project and the City Council would have to then have to stand up to the WIDA if they ask to do the project. Deputy Mayor Gerry added that since the project is still in the planning phase she wouldn't recommend objecting at this point.

Joy Carden, IDA Board Treasurer inquired if there is a refusal by Yonkers to do the project could WIDA turn around and still have it done. Mr. Griffin responded that the WIDA's entitlement is as an accommodation not as a real owner of the property. Mayor Spano indicated that the Administration, County Executive, John Larkin and the Yonkers City Council are in discussions and the project would ultimately bring \$5 million in revenue and 500 jobs for the City.

Board Member Kischak inquired if the altering of traffic flow would be addressed. Mayor Spano explained that there are some proposals regarding the traffic situation but discussions are still needed with the City Council. Board Member Singer expressed that anytime traffic needed to be altered there was always a problem with the Town of Greenburgh.

CEO Carter highlighted that Legoland was set to have their grand opening, today, March 27th at 11:00 a.m. which is another great attribute at Ridge Hill.

Adjournment

A motion to adjourn was made by Peter Kischak. Cecile D. Singer seconded the motion at 9:47 a.m. ***Approved 6-0***