

Yonkers IDA

2006 ABO Report

470 Nepperhan Ave
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Yonkers IDA 2006 ABO Report

*Operations
&
Accomplishments*

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Yonkers Industrial Development Agency

Operations

The City of Yonkers Industrial Development Agency is a public benefit corporation established by an act of the New York State Legislature in 1982, under Section 903 of the General Municipal Law. The agency operates for the benefit of the City of Yonkers and its populace to accomplish any or all of the purposes specified in Title 1 of Article I8A. Specific powers and duties are conferred to the agency with respect to the acquisition of real property, whether by purchase, condemnation or otherwise, within the corporate limits of the City of Yonkers. All of the local zoning and planning regulations, as well as the regional and local comprehensive land use plans, are taken into consideration to carry out the duties of the agency.

Organized in a manner consistent with the statute, the Mayor of Yonkers appoints a seven member Board of Directors comprised of both public officials and business leaders. This Board governs the IDA by establishing official policies, reviewing and approving requests for financial assistance. Operations and activities of the agency, its members, officers and employees are carried out in accordance with State law.

The IDA's mission is to generate economic development and job growth throughout the City of Yonkers by attracting new businesses; retaining existing ones and helping them all become competitive in a global marketplace. The agency accomplishes this mission by offering financial assistance in the form of Sales and Use Tax Exemptions, Mortgage Recording Tax Exemptions, Payment-In-Lieu-Of-Tax agreements (PILOTs) and by issuing tax exempt Industrial Development Bonds (IDB's).

During 2006 the IDA hired three new employees. The former CEO was replaced with a new executive and a newly created position of Office Administrator was filled, both in June. In December the agency hired a Finance Administrator to manage day to day accounting and finance issues and focus on our many and varied reporting requirements. The Agency's objective is to be effective, efficient and transparent. Thorough oversight of essential project components and financial reports is vital to achieving that objective.

In addition to new staffing designed to address administrative and financial functions, the agency contracted with a market research consultant to study employment and industry data in the city and the surrounding competitive markets. The intent of this six-month contract is to provide data upon which decisions can be made relative to targeted marketing efforts.

Accomplishments

Yonkers is experiencing a surge in interest from entrepreneurs and developers seeking to take advantage of the benefits of doing business in the 4th largest city in New York State. Excitement about economic development initiatives had a ripple effect in 2006. Our accomplishments during the year are reflective of that enthusiasm and of a city committed to expanding the local economy. The Yonkers IDA helped advance the goals of economic vitality and improved community life in the city with the successful closing of six projects.

Commercial Projects

The two commercial projects which closed in 2006 provided 85 construction jobs, caused 41 jobs to be retained and promised to create 75 new full time jobs in Yonkers. Private investment in projects run through the IDA totaled \$21,000,000.

- **Central Avenue Nissan** - JME Associates and Salgra Realty - a \$12,000,000 project in which the company acquired 3.25 acres, and constructed a 25,000 square foot car dealership, complete with 150 parking spaces.
- **Animal Specialty Center** - a \$ 9,000,000 project which includes the purchase of 1.84 acres in South West Executive Park and the construction a 16,074 sq. ft. building where the company will provide state-of-the-art veterinary care, including special surgical procedures. The center will also offer internships and residency opportunities for veterinary students throughout the United States, as well as training for specialized technicians. The center is the first of its kind in Westchester County.

Housing Projects

Investment targeted at increasing and improving our housing stock is vital to support all current and future efforts at economic development. In 2006, 15 employees were estimated to be retained, and 140 construction jobs and 4 new full time jobs were created as a result of four housing projects. The driving force behind the IDA's efforts in this regard however, was not so much job creation and retention as ensuring adequate housing stock for a much needed workforce and a quickly growing elderly population. Equally important is the goal of improving the appearance and the security of blighted areas in the city's downtown. On the riverfront in southwest Yonkers, residential development is key to providing a base for new retail development and to bring life to the area after business hours. Private capital investment in residential projects totaled \$157,500,000 in 2006.

Housing projects con't

- **Hudson Park II- Collins Enterprises, LLC** \$110,000,000
New construction, to be located directly north of the project's first phase. Project consists of 306 apartments, community rooms and fitness and business centers. This waterfront apartment complex, straddling the City Pier, represents the latest in a wave of new construction in the once-neglected area.
- **Sacred Heart Senior Housing** \$ 9,500,000
Renovation of a 13-story senior housing facility consisting of 150 residential units. Project includes the renovation, reconstruction and upgrading of the building's apartments and common area space consisting of a lobby and laundry areas. 100% of the units will be leased to households earning no more than 60% of the area's median gross income.
- **Jefferson Terrace** \$ 4,000,000
Acquisition and interior/exterior renovation of 147 units of affordable housing. A comprehensive renovation plan which includes the replacement of major building systems including the boiler, roof, windows, brick façade and elevator. Individual apartments will be modernized with tenants in place, or by "checkerboarding" tenants within the property. Total capital improvements to the development will be \$3.5 million.
- **Whitney Young Apartments** \$26,000,000
Acquisition and complete restoration of a 2 tower housing complex built in the 1970s. The buyer plans to invest an additional \$9 million in major capital improvements to the complex, including renovation of lobby areas, new elevators and the replacement and upgrading of building mechanical systems. In addition, \$300 per unit per year will be set aside in a replacement reserve to be used as needed for additional capital improvements. The complex provides housing for 195 low-to-moderate income families.

Other Accomplishments

In June the IDA awarded a total of \$145,000 in scholarships to 30 high school seniors from the Yonkers Public School system. The scholarships were funded by virtue of an agency agreement with two companies which previously received financial incentives through the IDA. Under the terms of the agreement, the companies will continue to fund the scholarship program each year through 2016.

Work has been done to make the IDA website a better tool by which to provide the public with access to information about meetings, hearings, agendas and financial reports.

In July and October, the IDA board adopted a series of revisions to the policies and procedures in accordance with the PAAA of 2005.

Throughout the year the agency made efforts to reach out to the commercial real estate market and to key members of the business community to bring attention to the opportunities that are available in the "new" Yonkers. Ads were placed strategically in real estate and business publications. An informative PowerPoint presentation was developed and presented to a broad-based business audience at a breakfast meeting held in the heart of the downtown. Many tours of new development sites, and areas targeted for redevelopment, were conducted.

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*Revenues
&
Expenses*

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Yonkers Industrial Development Agency

Statement of Activities

For the Years Ended December 31,

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Payments in lieu of taxes	\$ -	\$ 120,000
Agency fees	884,700	1,907,308
Rent	-	255,000
Application and administrative fees	5,200	9,900
Management fees	-	50,000
Miscellaneous income	3,318	10,680
Total Operating Revenues	<u>893,218</u>	<u>2,352,888</u>
Operating Expenses		
Salaries	325,018	243,293
Payroll taxes and employee benefits	85,023	73,646
Rental and lease termination	314,415	-
Consulting fees	360,022	320,783
Professional fees	281,525	201,703
Advertising, printing and reproduction	73,019	61,160
Auto	8,709	7,795
Insurance	8,594	6,152
Conferences and meetings	30,433	28,750
Communications	18,138	14,612
Office supplies and expenses	8,781	5,321
Depreciation	1,648	328
Contributions	100,195	126,215
Bad debt expense	-	17,950
Total Operating Expenses	<u>1,615,520</u>	<u>1,107,708</u>
Income (loss) from Operations	<u>(722,302)</u>	<u>1,245,180</u>
Non-Operating Revenues		
Interest and dividend income	33,945	12,709
Realized and unrealized gain on marketable securities	4,941	3,717
Total Non-Operating Revenues	<u>38,886</u>	<u>16,426</u>
Change in Net Assets Before Extraordinary Item	(683,416)	1,261,606
Extraordinary Item	<u>(1,798,614)</u>	<u>-</u>
Change in Net Assets	(2,482,030)	1,261,606
Net Assets - Beginning of Year	<u>3,589,947</u>	<u>2,328,341</u>
Net Assets - End of Year	<u>\$ 1,107,917</u>	<u>\$ 3,589,947</u>

See notes to financial statements

Yonkers IDA 2006 ABO Report

*Assets
&
Liabilities*

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Statement of Net Assets

December 31,

	<u>2006</u>	<u>2005</u>
ASSETS		
Current Assets		
Cash and equivalents	\$ 1,380,157	\$ 3,141,254
Accounts receivable, net	857,735	300
Economic Development Projects	670,000	2,085,000
Prepaid expenses	379,773	459,956
Restricted cash and equivalents	<u>971,678</u>	<u>-</u>
Total Current Assets	4,259,343	5,686,510
Investments	34,028	124,712
Equipment, net	<u>12,679</u>	<u>191</u>
Total Assets	<u>\$ 4,306,050</u>	<u>\$ 5,811,413</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 25,399	\$ 72,271
Accrued expenses	140,247	42,000
Scholarship payable	7,195	107,195
Due to other governments	853,614	-
Due to other entities	<u>971,678</u>	<u>2,000,000</u>
Total Current Liabilities	1,998,133	2,221,466
Due to other entities	<u>1,200,000</u>	<u>-</u>
Total Liabilities	<u>3,198,133</u>	<u>2,221,466</u>
NET ASSETS		
Unrestricted	<u>1,107,917</u>	<u>3,589,947</u>
Total Liabilities and Net Assets	<u>\$ 4,306,050</u>	<u>\$ 5,811,413</u>

See notes to financial statements

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Bond Schedule

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YONKERS INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS AND NOTES ISSUED
DECEMBER 31, 2006

Project	Date of Issue	Interest Rate	Term ¹	Original Issue Value	Outstanding Balance at January 1, 2006	New Issues	Payments	Outstanding Balance at December 31, 2006	Cost of Issuance (new bonds only)														
										Jan 6, 2006	Jan 6, 2006	Dec 30, 2013	Dec 1, 2038	Jan 6, 2006	Mar 1, 2020	Nov 1, 2019	Dec 1, 2039	Nov 1, 2030	Jul 1, 2042	Jul 1, 2031	Jun 1, 2041	Jun 1, 2041	Dec 1, 2016
Consumer Union	July 1989	Variable	Jan 6, 2006	\$ 20,000,000	\$ 600,000	\$ -	\$ 600,000	\$ -	-														
Consumer Union	December 1991	variable	Jan 6, 2006	10,000,000	300,000	-	300,000	-	-														
St. Joseph's Medical Center	March 1993	8.50%	Dec 30, 2013	4,715,000	2,810,000	-	280,000	2,550,000	-														
Westchester School for Special Children	November 1993	7.375-9.50%	Dec 1, 2038	4,055,000	3,390,000	-	85,000	3,305,000	-														
Consumer Union	December 1994	Variable	Jan 6, 2006	15,000,000	350,000	-	350,000	-	-														
St. Joseph's Medical Center	March 1998	5.65-6.20%	Mar 1, 2020	28,500,000	21,100,000	-	1,300,000	19,800,000	-														
Hudson Scenic Studios, Inc.	June 1999	5.875-6.625%	Nov 1, 2019	6,360,000	5,180,000	-	240,000	4,940,000	-														
Michael Malotz Skilled Nursing Pavilion	June 1999	4.80-5.65%	Dec 1, 2039	15,000,000	13,670,000	-	175,000	13,495,000	-														
Phillipsburgh Hall Associates, L.P.	December 1999	6.75-7.50%	Nov 1, 2030	2,800,000	1,670,000	-	25,000	1,645,000	-														
11 - 23 St. Casimir Avenue, L.P.	January 2001	4.75%	Jul 1, 2042	9,695,000	9,460,000	-	90,000	9,370,000	-														
Community Development Properties ²	February 2001	-	-	53,260,000	52,705,000	-	52,705,000	-	-														
St. John's Riverside	February 2001	6.80-7.125%	Jul 1, 2031	26,295,000	25,040,000	-	345,000	24,695,000	-														
Sarah Lawrence College, Series A	June 2001	Variable	Jun 1, 2041	25,750,000	42,550,000	-	500,000	42,050,000	-														
Sarah Lawrence College, Series B	June 2001	Variable	Jun 1, 2041	8,900,000	5,150,000	-	50,000	5,100,000	-														
Greyston Bakery	December 2001	Variable	Dec 1, 2016	3,125,000	2,815,000	-	120,000	2,695,000	-														
Morris Industries	December 2004	.50-Prime+2%	Dec 31, 2006	1,500,000	1,500,000	-	1,500,000	-	-														
Herriot Street Housing L.P. Project	March 2004	1.50-1.65%	Nov 1, 2036	16,400,000	15,945,000	-	325,000	15,620,000	-														
Monastery Manor Association, L.P.	September 2005	4.25-5.25%	Oct 1, 2037	9,500,000	9,500,000	-	-	9,500,000	-														
Consumer Union	December 2005	Variable	Jun 1, 2036	47,300,000	47,300,000	-	-	47,300,000	-														
Main Street Lofts	December 2005	Variable	Dec 1, 2038	44,600,000	44,600,000	-	1,486,365 ³	44,600,000	-														
JME Associates	June 2006	Variable	Jun 1, 2026	8,160,000	-	8,160,000	100,000	8,060,000	44,880														
Salgra Realty, L.L.C.	June 2006	Variable	May 1, 2026	3,840,000	-	3,840,000	45,000	3,795,000	21,120														
Jefferson Terrace, L.L.C.	December 2006	5.85%	1 ^{**} / May 1, 2048	4,400,000	-	4,400,000	-	4,400,000	86,275														
Whitney Young Manor, L.P.	December 2006	5.45%	1 ^{**} / Aug 1, 2013	19,800,000	-	19,800,000	-	19,800,000	355,380														
Sacred Heart Associates, L.P.	September 2006	Variable	1 ^{**} / Oct 1, 2026	9,500,000	-	9,500,000	-	9,500,000	76,000														
Total Indebtedness				\$ 388,955,000	\$ 305,635,000	\$ 36,200,000	\$ 60,801,365	\$ 282,720,000	\$ 583,655														

¹ Represents maturity date.

² Defeased

³ Interest only payments

Means of Repayment Note: As indicated in our Audit, certain industrial development revenue bonds and notes issued by our agency are secured by property which is leased to companies and are retired by lease payments. The bonds and notes are neither obligations of ours nor are they obligations of the State. We do not record the assets nor liabilities resulting from completed bond and note issues in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents.

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Compensation Schedule

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Compensation Schedule

Chief Executive Officer

Ellen Lynch

\$165,000

Benefits: Leased Company car, reimbursement for cell phone/business-related travel expenses.

Chief Fiscal Officer

Melvina Carter

\$105,000

Benefits: Cell phone, reimbursement for business-related travel expenses.

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Projects Undertaken

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Projects Undertaken

Many projects were considered by the IDA throughout the year. The list below represents projects that were induced by the board and which remain among our most immediate priorities in the current year.

- **Ridge Hill** **\$900,000,000**
A mega-project which will feature approximately 1.3 million square foot of retail development including shopping, restaurants and entertainment, roughly 160,000 square feet of office and research facilities, 150 room hotel, a 50,000 square foot convention center and 1,000 residential apartments. The development is expected to create 5,500 construction and 3,900 permanent jobs and generate over \$60 million annually in new property and sales tax to the City of Yonkers.
- **Residence In by Marriott** **\$ 20,000,000**
New construction of 144- room, 4-story extended stay hotel facility. 200 construction and 40 permanent jobs will be created.
- **Highland Senior Housing** **\$18,000,000**
New senior housing development consisting of 88 one bedroom dwellings, and a 44-car parking deck. 120 construction and 4 permanent jobs will be created. This project will provide attractive, new affordable housing in a challenged area of the city.
- **Croton Heights** **\$ 23,250,000**
New construction of a 6-story, 60-unit rental apartment building 100 construction and 4 permanent jobs will be created. This project is being done to meet the goals of an approved Urban Renewal plan that has been funded in part by a HOPE VI grant.
- **Ashburton Avenue** **\$ 22,000,000**
New construction of a six story senior apartment building offering 81 - 1 and 2 bedroom units, 1,500 square feet of community space and laundry facilities. 50 construction and 4 permanent jobs will be created. This project is being done to meet the goals of an approved Urban Renewal plan that has been funded in part by a HOPE VI grant.

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Real Property Report

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REAL PROPERTY REPORT

(i) All real property having an estimated fair market value in excess of fifteen thousand dollars that the Yonkers IDA intends to dispose of:

<u>Address</u>	<u>Block/Lot</u>
Boyce Thompson Institute site	Parcel No. 823 Map No. 815 (along side NYS Thruway)
353 Tuckahoe Road	4000/1-1.1
5 Hillwood Avenue	4000/100
395 Tuckahoe Road	4000/125
15 Grassy Sprain	4001/150-160
30 Hermann Avenue	4001/180
50 Hermann Avenue	4001/185
70 Hermann Avenue	4001/187
80 Hermann Avenue	4001/190

(ii) All property held by the Yonkers IDA at the end of 12/31/06

<u>Address</u>	<u>Block/Lot</u>
Knowles Street	621/25
130 Fernbrook Street	615/16
220 Yonkers Avenue	405/100
65-81 South Broadway	495/125
45 Park Avenue	2090/1
177 Truman Avenue	3349/10
169 Truman Avenue	3350/1
125 Truman Avenue	3360/150
127 South Broadway	493/27
37 Heights Drive	4422/1
11 St. Casimir	2030/250
1 Van der Donck Street	2600/1
1 Pierpointe Street	2600/5

(iii) All such property disposed of during 2006

NONE

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Code of Ethics

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CODE OF ETHICS
OF
THE CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY

The members of the board (the "Board") of the City of Yonkers Industrial Development Agency (the "Agency"), a duly established public benefit corporation of the State of New York (the "State"), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State.

Further, no director, officer, or employee of the Agency shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

Approved and adopted this 13th day of July 2006.

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*Assessment of
Internal Controls*

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**Report on Internal Control Over financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial statements Performed in Accordance with
*Government Auditing Standards***

**To the Board of Directors
Yonkers Industrial Development Agency**

We have audited the financial statements of Yonkers industrial development Agency (“the Agency”) as of and for the year ended December 31, 2006, and have issued our report thereon dated March 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the Agency’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose describe in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management , the Board of Directors and the new York State Office of the State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

March 7, 2007