

New Rochelle Industrial Development Agency

Minutes Summary of the Regular Meeting of the New Rochelle Industrial Development Agency (IDA) held on **Wednesday, February 26, 2020 at 7:30 P.M., in Conference Room B-1, City Hall, New Rochelle, New York.** The following members of the Agency were:

PRESENT: Charles B. Strome, III, Chair
Ivar Hyden, Vice Chair
Robert Balachandran, Treasurer
Howard Greenberg, Secretary
Felim O'Malley, Member
Jordanna Davis, Member
Amy Moselhi, Member

ABSENT:

ALSO PRESENT: Luiz C. Aragon, Commiss. of Development/IDA Assistant Secretary
Adam Salgado, IDA Executive Director, Dpty. Commiss. For Econ Dev.
Roisin Ponshe, IDA Economic Development Manager
Patrick Malgieri Esq., IDA Transaction Counsel, Harris Beach
Kevin Gremse, Financial Consultant, National Development Council

IDA Meeting was called to order by the Chair, Mr. Strome.

Roll Call was taken.

Announcements: None.

Minutes: A motion was made by Ms. Moselhi and seconded by Mr. Hyden to approve the January 2020 Minutes; and was unanimously approved.

MJ Garden LLC, 26 Garden Street- Public Hearing & Authorization

Mr. Salgado explained The IDA received an application from MJ Garden LLC for the construction of an approximate 37,000 square-foot space to be used by Westchester County as the site of Family Court, the Office of Probation and the Office for Women's Services. The development also includes two buffer floors and approximately 50,000 square feet of parking located on four (4) floors below the space to be leased to the County AND the construction of a twenty-one (21) story affordable residential rental building containing approximately 186 units and associated parking located on three (3) floors.

This is a three-phase project. This application is for Phase I and II. Phase III, medical offices, is not eligible for IDA benefits, and will not come before the Board.

The applicant is requesting a Mortgage Recording and sales tax exemption and a 30-year PILOT. The PILOT deviates from the UTEP which is necessary to close the Company's financing gap. Both NDC, the IDA's financial consultant, and the IDA Finance Subcommittee, have reviewed and are in support of the financial incentive package.

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Kevin Gremse, from NDC, is here to further explain. The Board provided questions and comments.

Public Hearing:

The Chair, Mr. Strome, introduced the Public Hearing in accordance with Section 859 A, subdivision 2 of the New York General Municipal Law. Notifications for this hearing appeared in the Journal News on February 15, 2020. Mr. Strome opened the hearing to the public who wished to comment or speak in favor or opposition.

The following members of the public provided comments, full public comments can be viewed:

https://newrochelle.granicus.com/MediaPlayer.php?view_id=2&clip_id=1631

Richard McSpedden
New Rochelle

Miguel Ayala
New Rochelle

Seth Markersfeld
New Rochelle
(Letter submitted, attached hereto)

There being no more speakers, the Chair, Mr. Strome closed the hearing for this project.

The Board provided question and comment.

A motion to approve was made by Ms. Moselhi and seconded by Mr. Greenberg. All in favor, the motion passed.

Plain Avenue Storage Assignment- Resolution

Mr. Salgado explained that Plain Avenue Storage LLC closed with the IDA in February of 2016. This project anticipated a condo structure, including the transfer of condo unit 1 to the City of New Rochelle for use by the Parks Department. Plain Avenue Storage is selling Unit 2 to PS Northeast, LLC, an affiliate of Public Storage. In connection with this sale, PS Northeast will be assigned Plain Avenue Storage's rights and obligations under the PILOT documents. Under the closing documents, this action requires IDA consent. The resolution before the Board authorizes this assignment and the amendment of documents accordingly.

The Board provided question and comment.

A motion to approve was made by Mr. Strome and seconded by Mr. Hyden. All in favor, the motion passed.

251 North Associates LLC- Sales and Use Tax Resolution

Mr. Salgado explained 251 North Associates LLC closed with the IDA in February 2018 and received a sales and use tax exemption limit, the project is nearing completion but is requesting the authorization of an additional \$50,000.00 in sales and use tax exemption for unanticipated costs so that it does not exceed the originally authorized amount granted by the IDA while being able to complete construction. The resolution before the Board authorizes this increase.

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Janet Giris, Counsel to the Company, came to the podium to answer any questions.

The Board provided question and comment.

A motion to approve was made by Mr. Strome and seconded by Mr. Balachandran. Six members voted in favor, Ms. Davis voted no, the motion passed 6-1.

277 NR Principal LLC Transfer- Resolution

Mr. Salgado explained that 277 NR Principal LLC closed with the IDA in August 2018. In accordance with the underlying closing documents the Company has notified the IDA that it intends to assign its interests to a newly formed entity which includes the Company and an affiliate of JP Morgan Chase Bank, this requires IDA consent. The resolution before the Board is to authorize the assignment and extend the start date of the formerly approved PILOT term to align with the construction completion.

Janet Giris, Counsel to the Company, came to the podium to answer any questions.

The Board provided question and comment.

A motion to approve was made by Mr. Balachandran and seconded by Mr. Greenberg. All in favor, the motion passed.

2019 Budget – Resolution

Mr. Salgado explained that the resolution before the Board is to authorize the amendment of the 2019 Legal Services Budget line item in the amount of \$13,559 to account for the unanticipated increased legal costs associated with the bankruptcy proceedings of the College of New Rochelle.

The Board provided question and comment.

A motion to approve was made by Mr. Strome and seconded by Mr. Hyden. All in favor, the motion passed.

Dual Signatory – Resolution

Mr. Salgado explained that the resolution before the Board is to designate both the Executive Director and the Comptroller as required signatories on all checks issued by or on behalf of the Agency. This change was suggested by the Comptroller to increase security controls.

The Board provided question and comment.

A motion to approve was made by Mr. Greenberg and seconded by Mr. Balachandran. All in favor, the motion passed.

New Business/Discussion:

Ms. Ponshe updated the Board on College of New Rochelle.

Next Meeting: Wednesday, March 25, 2020 at 7:30PM.

Adjournment: Mr. Strome made a motion to adjourn the meeting, seconded by Ms. Moselhi. All in favor, the motion passed.

“Michael Yellin is not here tonight and asked me to read this into the record. ”

In light of the tragic death of Alejandro Pellisa at the construction site at 164 Union Ave., it's time for the New Rochelle IDA to revise its policies governing job standards before awarding future public assistance awards. The current Joint New Rochelle IDA/City of New Rochelle Corporation for Local Development (CNRCLD) policy states, *“It is the policy of the NRIDA and the CNRCLD to encourage, where feasible, the use of local labor and the payment of the area standard wage during construction of projects.”*

The IDA must do more to protect the safety of workers on site and the public at large on developments receiving IDA subsidies. Evidence proves that construction workers with proper training are less likely to be injured or killed (see the report *Deadly Skyline 2019*, New York Committee for Occupational Safety & Health).

In order to reduce the risk for future death or grievous injury, the IDA must strengthen the apprenticeship language in the Uniform Tax Exemption Policy which states that the IDA will assess “whether the Project will use an apprenticeship program approved by the New York State Department of Labor.” The New Rochelle IDA must mandate that all contractors participate in federal or state-approved apprenticeship programs for all construction trades in which they employ workers. The programs should have a record of a successful number of actual graduates over a 5-year period.

IDA-subsidized projects should promote, not jeopardize, the safety of workers and the public in New Rochelle by ensuring that everyone is adequately trained in their employment.

Other nearby IDA's have much stronger requirements that protect workers and support their community and there is no excuse for the New Rochelle IDA not to do all it can to protect workers as well as the public on the projects it is subsidizing.