

August 1, 2013

The regular meeting of the City of Port Jervis Industrial Development Agency (IDA) was held in the Council Chambers, 20 Hammond Street, Port Jervis, New York on Monday, August 1, 2013 at 6:00 p.m.

Regular Meeting

Councilman Frank Bell, Council Liaison Robert Ritchie, Mr. James Hinkley, Mr. Robert Schultz, Mr. Michael Worden, Corporation Counsel Damian Brady, City Clerk-Treasurer Robin Waizenegger were present.

Attendance

Mr. Worden was acting chairman and opened the meeting at 6:02 p.m.

Mr. Brady stated that items to be addressed will be a transition in counsel for the Board and further discussion of the 100 Pike Street/Ellicott Development request made at the July meeting. He introduced Mr. David Gubits and Mr. Michael Fox, of Jacobowitz and Gubits, and summarized Mr. Paladino's request. Mr. Brady stated that he recommended outside counsel to represent the Board so that he could provide a separate viewpoint to the Common Council concerning any potential PILOT agreement between the IDA and Ellicott Development. Another issue that counsel will address will concern compliance.

Board Attorneys approved

Mr. Gubits briefly summarized his background working with other IDAs, and Mr. Fox spoke about the support he will provide. Mr. Brady noted that the appointment will be through December 31, 2013 and work done on behalf of the IDA will be paid by the IDA. He also spoke about recent Comptroller's regulations concerning the IDA and the necessity of the Board.

Motion by Mr. Worden, seconded by Mr. Bell, to approve hiring Jacobowitz and Gubits as IDA attorney.

AYE: 4 NAY: 0 ABSTAIN: 0 ABSENT: 0 CARRIED

The Board discussed the 100 Pike Street project, including the legality of the IDA providing assistance for a retail project. Mr. Brady noted that there is no existing PILOT for the property, and the assessment has been lowered twice in the past two (2) years.

Mr. Hinkley requested Jacobowitz and Gubits provide the Board with a mission statement. Mr. Gubits stated that he can provide the Board with a statement. Mrs. Waizenegger stated that she must include the mission statement when filing the annual report.

Mrs. Waizenegger reviewed the status of Future Home Technologies (FHT). Mr. Gubits inquired as to the nature of the problems with FHT, and the Board provided information on the management and financial problems. Mrs. Waizenegger noted that the PILOT agreement with FHT will expire in two (2) years.

Future Home Technologies discussed

Mr. Brady recommended the Board appoint a chairman.

Mr. Brady detailed Ellicott Development's request for assistance with their 100 Pike Street property. He noted that the company is not requesting financial assistance; they are seeking a PILOT agreement and sales and mortgage tax assistance. Mr. Gubits requested any documentation that the Board can provide him for the property.

100 Pike Street discussed

Mr. Brady detailed a brief history of the 100 Pike Street property in regards to the tax assessments reductions. Mr. Gubits asked if a tax assessment reevaluation was scheduled. Mrs. Waizenegger stated that a reevaluation is not scheduled. The Board discussed a potential new PILOT agreement for the entire property, which will include three (3) structures. Mr. Brady stated that Mr. Paladino hoped to have the PILOT agreement and sales and mortgage tax exemptions completed at the same time. Mr. Brady stated that Mr. Paladino must provide the Board with precise figures before a final decision can be made.

Mr. Paladino was included in the meeting via telephone. Those present, including new attorneys Mr. Gubits and Mr. Fox, were introduced. Mr. Paladino stated that his counsel was also present.

Mr. Paladino spoke about a PILOT and tax exemptions his company received for the construction of a plaza in Syracuse, New York and how that savings was passed through to the tenants of that projects.

Ellicott's request includes a sales tax exemption, mortgage tax exemption, and an inducement through a PILOT agreement that includes the full assessment in the eleventh year, with years 1-7 having no increase in the assessment and having a 25% increase each year for years 8, 9, and 10. He spoke about qualifying the property as a distressed area and detailed the scope of the request letter that will be mailed to the IDA. Mr. Paladino stated that tenants will pay their percentage of the insurance, taxes, and common area maintenance based on the tenant's square footage of the entire plaza.

Mr. Paladino detailed the square footage for Burger King, Rite-Aid, and the plaza building. The target or projected rents include Rite-Aid at \$25.35 square foot, Burger King at \$20.00 per square foot, a rental company will be \$9 per square foot, a grocery store will be \$5.75 square foot, specialty shops will be \$11.75 per square foot, and \$14.95 for the remaining small "Mom & Pop" type stores. The average rent would be \$11.37 per square foot on the leasable area. He anticipates a fully-leased plaza eight (8) months to one (1) year from now.

Mr. Gubits asked if Mr. Paladino was concerned about stability of Rite-Aid. Mr. Paladino stated that the stability of Rite-Aid is not a concern for his company. Lenders may express concern, but there is activity. He stated there is approximately eighty (80) current buildings and twenty (20) new constructions.

Mr. Brady stated that when the Board receives the detailed information and figures from Mr. Paladino the next meeting can be scheduled, and Mr. Gubits encouraged him to submit his letter as soon as possible.

Mr. Bell asked if the company would consider requesting the PILOT and exemptions separately. Mr. Paladino expressed his hesitations about seeking them separately.

The Board discussed the details of the information provided by Mr. Paladino concerning the PILOT request, the property's assessed value reductions, and possible criteria or stipulations for a PILOT agreement with the company.

Motion by Mr. Worden, seconded by Mr. Bell, to adjourn the meeting at 7:53 p.m.

AYE: 4 NAY: 0 ABSTAIN: 0 ABSENT: 0 CARRIED