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2 CITY OF YONKERS
3 ECONOMIC DEVELOPMENT CORPORATION

3

4 REGULAR MEETING

5 OCTOBER 22, 2014

6 9:00 a.m.

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10 PRESENT: MAYOR SPANO, CHAIRPERSON
11 CECILE SINGER, PRESIDENT, EDC
12 SUSAN GERRY, MEMBER
13 PETER KISCHAK, MEMBER
14 PATRICK SERENSON, Accountant
15 DEEPIKA MEHRA, IDA/CFO
16 JAIME MCGILL, IDA
17 DAVID ROTHMAN, ESQ, HARRIS BEACH

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17 LYNN FARRELL-MILEO
18 830 Bronx River Road
19 Bronxville, NY 10708
20 914-776-1318

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1 MS. SINGER: Call the Yonkers Economic
2 Development Corporation to order.

3 May we have the roll call, please?

4 MS. MEHRA: Mayor Spano?

5 MAYOR SPANO: Here.

6 MS. MEHRA: Sue Gerry?

7 MS. GERRY: Here.

8 MS. MEHRA: Cecile Singer?

9 MS. SINGER: Here.

10 MS. MEHRA: Pete Kischak?

11 MR. KISCHAK: Here.

12 MS. MEHRA: Mayor, we have a quorum.

13 MS. SINGER: You have the minutes for the prior
14 meeting, June 1st. Are there any additions or
15 corrections?

16 MR. KISCHAK: I have none. I want to make a
17 motion.

18 MAYOR SPANO: Second the motion.

19 MS. SINGER: All in favor?

20 (Chorus of Ayes)

21 MS. SINGER: We have the financials for May to
22 September 2014 and the three-year budget.

23 MS. MEHRA: There are two separate items,
24 financials for May to September, and then the budget. I
25 can go over the financials.

1 Since the corporation has not met since June
2 2014 we have financials from May to September. YEDC
3 received agency fees from Leake and Watts in June for
4 \$211,000. There hasn't been any spending within the YEDC
5 for the staff and monthly bills to the accountant. We
6 have legal fees, as well.

7 YEDC at the end of September had \$374,000 on
8 hand. We also have Our accountant Pat Serenson for any
9 questions.

10 MS. SINGER: Are there any questions?

11 MR. KISCHAK: I have none.

12 MAYOR SPANO: Make a motion.

13 MR. KISCHAK: Second.

14 MS. SINGER: All in favor?

15 (Chorus of Ayes)

16 MS. SINGER: Now, the YEDC budget 2015 and
17 three year budget. You have before you also the 2014
18 budget. So are there any benefits, do you want to
19 explain?

20 MS. MEHRA: Sure, the benefits went down from
21 2014 to 2015 due to Obamacare, so the monthly expenses
22 were lowered from 2014. That's why we are projecting for
23 2015, \$15,000.

24 MS. SINGER: And auditing and accounting fees
25 are projections, and legal, small differentials.

1 Marketing, there are some increases. Deepika, do you
2 want to talk to that?

3 MS. MEHRA: We are just estimating any
4 marketing initiatives that we may take over in 2015.
5 That's where we have projected just a little increase in
6 2015 as opposed to 2014.

7 MS. SINGER: And in the economic development
8 initiatives I assume these are also projections?

9 MS. MEHRA: Yes.

10 MS. SINGER: And interest expense, that comes
11 from the Larkin garage arrangement that we have and the
12 promissory note. Do you want to explain that, Deepika?

13 MS. MEHRA: Mr. Serenson will explain.

14 MR. SERENSON: The deal was when the project
15 went through we would collect rents, we would pay Hudson
16 Valley on the \$2,629,000 loan, plus CD on the \$300,000.00
17 loan they have with Hudson Valley as a back-up. Anything
18 remaining after that would go to the Ground lease.
19 Whatever income came in there would be an outflow which
20 would be income.

21 MAYOR SPANO: What was the \$2 million loan?

22 MR. SERENSEN: We were short, the County
23 didn't come up with all their funds and we had to borrow
24 \$2.6 million from Hudson Valley to complete the project.

25 MAYOR SPANO: Didn't the city bond \$2 million?

1 MR. SERENSON: The loan we took from the bank
2 there is no principle payment until 2018 which is when
3 the federal tax credit comes due.

4 There is no bond there. We actually borrowed
5 the money from Hudson Valley.

6 MAYOR SPANO: Right, we have a revenue
7 anticipation note on \$2 million, then we bonded \$2
8 million, so I am lost.

9 MR. SERENSON: The total piece to the city was,
10 I believe, 10 million. CDA put some money, the County
11 was supposed to put some money in, they didn't.

12 MAYOR SPANO: Okay. We'll look into it.

13 MR. KISCHAK: Mr. Mayor, do you want to table
14 this?

15 MAYOR SPANO: Can we table this?

16 MS. SINGER: Yes. We want to table the budget
17 and we'll have to do it at a later date when we can
18 answer the question.

19 MS. MEHRA: Sure. It has to be posted by
20 November 1st, the budget, that's the only thing.

21 MR. YOUNG: You can post a tentative budget.

22 MS. SINGER: If we have to have it by November
23 1st I would say that rather than doing that we can even
24 do it if we can answer the question we can even do YEDC
25 business by telephone?

1 MR. YOUNG: Right.

2 MS. SINGER: It's not like IDA. So we'll have
3 a telephone conference and do it so that will be the best
4 way to handle it.

5 MR. KISCHAK: That's legal, Mr. Young?

6 MR. YOUNG: Yes.

7 MS. SINGER: While we are here I think it's
8 important for us to go over, as you can see things come
9 up projected, what we have projected for YEDC projects
10 just like we went over the IDA projects. I'd ask about
11 what we project.

12 MS. MEHRA: Sure. YEDC it's hard to tell which
13 projects will come to close but right now we have two in
14 the pipeline, Teutonia coming to YEDC by the first
15 quarter of 2015 for bonds. And we have Ferncliff, we'll
16 have a resolution today coming to YEDC for bonds on \$27
17 million that will give us at least \$278,000 in our agency
18 fees.

19 DEPUTY MAYOR GERRY: I have a question. We
20 were asked a week or so ago because the timing of
21 Tuetonia to allow the bond that we had held to go back
22 into the allocation pool so somebody else could use the
23 bond allocation but they are going to close first quarter
24 of 2015. Are we comfortable we have the flexibility to
25 go back and take a new allocation out in 2015?

1 MR. YOUNG: It doesn't matter, you have to go
2 back in and request, or request a new amount you want to
3 allocate to the new project.

4 MR. ROTHMAN: The bonding cap allocation, the
5 request was we want to keep it or put it back into the
6 pool wasn't sufficient to begin with on the total amount
7 of bonds being sold, so either way we are going to have
8 to go back in 2015 to get the allocation. So, yes, we
9 are comfortable.

10 DEPUTY MAYOR GERRY: They want to close in the
11 first quarter. We have to jump right in in the first
12 quarter?

13 MR. YOUNG: And request again, yes.

14 MS. SINGER: Any further questions?

15 MS. MEHRA: We have the resolution for
16 consideration on Ferncliff. The budget we'll table for
17 now. We'll do the resolution for Ferncliff.

18 MS. SINGER: Okay.

19 MR. MALGIERI: Patrick Malgieri, partner,
20 Harris Beach. Good morning. As was indicated today
21 before you is the official intent resolution, the initial
22 resolution for Ferncliff Manor. Just brief background,
23 this is being induced by the initial resolution in
24 December of 2013. The IDA induced the project as a
25 straight lease transaction but this project is being

1 undertaken by a not-for-profit entity, therefore, since
2 2008 IDAs have not been legally empowered, as you know,
3 to induce a not-for profit facility, the so called
4 facility bonds. YEDC didn't induce in December 2013 but
5 the company that identified it was a for profit.
6 Ferncliff, again, this project is being undertaken by a
7 not-for-profit.

8 Quick background on the project itself, it's a
9 residential facility for several children with the most
10 severe autistic spectrum disorder. It's a two story
11 school building, approximately 30,000 square feet, 11 six
12 person homes in a renovated manor house, approximately
13 4,000 square feet for administrative space, furniture,
14 fixtures and equipment and 72 students, 66 in residential
15 capacity and six on a daytime capacity. Current total
16 project cost estimate is \$23.4 million. According to the
17 application we have no reason to believe that any of
18 those numbers have necessarily changed. That includes
19 \$23 million for new construction, 4,000 for FF&E.

20 Official intent resolution is up to \$27
21 million. That's to allow the project as they get closer
22 and closer to the point of actual financing and issuance
23 of a final bond resolution. In the event those numbers
24 move it won't require us to come back and do another
25 inducement resolution. Issue of the bonds will be

1 subject to the agreement on terms and conditions of the
2 bond documents as approved by the YEDC's counsel and by
3 bond counsel.

4 Also, subject to approval by the Mayor holding
5 a public hearing pursuant to the Internal Revenue Code.

6 Just one last point, I know that in
7 connection with the issuance of the approval for Leake
8 and Watts there were a number of questions regarding
9 YEDC's relationship both to the IDA and the City. As you
10 may recall, our firm issued an opinion. We are
11 addressing those points. None of that research is
12 changed, none of those legal conclusions have changed.
13 YEDC bonds do not require IDA approval, they are not
14 bonds of the IDA nor are they bonds of the city or a
15 department of the city, and all the bond documents
16 appropriately note that. Any questions?

17 MS. SINGER: I think for the record just state
18 how long Ferncliff has been in Yonkers. Do you know?

19 MR. MALGIERI: I don't know, Mayor, I believe
20 back in 1971. They were founded in 1931, so about 80
21 years.

22 MS. SINGER: Seventy-nine years. It has served
23 a very important population that is underserved.

24 MR. MALGIERI: And that was indicated, this
25 will be anticipated now to be in the first quarter of

1 2015.

2 MS. SINGER: Are there any questions? Do we
3 have a motion?

4 MR. KISCHAK: I make a motion.

5 MS. SINGER: Second?

6 MR. YOUNG: We'd like to just for purposes of
7 transparency disclose that Empire Street Planning
8 represents Ferncliff and the Mayor's brother is a
9 principal of that company.

10 MS. SINGER: That's important, it should be on
11 the record. So we have a motion as submitted and a
12 second?

13 DEPUTY MAYOR GERRY: Second.

14 MS. SINGER: Do you have any legal update?

15 MR. YOUNG: I do not.

16 MS. SINGER: Is there any further business? If
17 there is no further business do we have a motion to
18 adjourn?

19 MAYOR SPANO: Motion.

20 DEPUTY MAYOR GERRY: Second.

21 MS. SINGER: All in favor?

22 (Chorus of Ayes)

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STATE OF NEW YORK)
) SS.
COUNTY OF WESTCHESTER)

I, Lynn Farrell, Court Reporter and Notary
Public within and for the County of
Westchester, State of New York, do hereby
certify:

That I reported the proceedings that
are hereinbefore set forth, and that such
transcript is a true and accurate record of
said proceedings

AND, I further certify that I am not
related to any of the parties to this action
by blood or marriage, and that I am in no
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand.

Lynn Farrell