

**TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING**

**Nathan L. Bennett Pavilion*
One Washington Street, Hempstead, NY
AGENDA**

Thursday, March 24, 2022, 9:00 AM

***Notes:**

- Masks are no longer mandated. The Town of Hempstead IDA continues to encourage social distancing at public meetings.
- A livestream of the meeting may also be viewed at www.tohida.org . Select "Watch Meetings"

The Agenda will include but not be limited to:

AGENDA:

- Confirm the presence of a Quorum
- Public Comment with respect to Agenda items

VILLAGE BUSINESS:

Village of Freeport:

- Consideration of an Inducement Resolution for **Regan Development**, 206 Smith Street, Freeport

Village of Hempstead:

- Consideration of an Authorizing Resolution for **Carman Place Apartments LLC**, for the Residential portion of the project
- Consideration of an Authorizing Resolution for **Carman Place Apartments LLC**, for the Commercial portion of the project

NEW BUSINESS - Applications, Transaction Resolutions and Presentations:

- Consideration of an Authorizing Resolution for **43-47 Broadway Realty, LLC**, 17& 21 Langdon Place, 47 Broadway, 90 & 96 Station Plaza, Lynbrook
- Consideration of a Tenant Consent for **Valley Stream Green Acres**, 2034 Green Acres Mall, Valley Stream - **Windsor Fashions**

NEW BUSINESS - Other:

- CEO's Report
- Compliance Review 2021
- Appointment of Compliance/Contracting Officer
- Consideration and Adoption of the Annual Financial Report
- Consideration and Adoption of the Audited Financial Statements
- Consideration and Adoption of the Mission Statement 2022 and Measurement Report 2021
- Consideration and Adoption of the Property Disposition Policy
- Consideration and Adoption of the Operations and Accomplishments 2021

- Consideration and Adoption of the Purchasing Guidelines
- Consideration and Adoption of the Self Evaluation Policy and Procedures
- Consideration and Adoption of the Code of Ethics
- Consideration and Adoption of an Amended Fee Schedule
- Consideration and Adoption of an Amended Standard Project Procedures
- Consideration and Adoption of the Investment Policy and Guidelines
- Consideration and Adoption of Assessment of Effectiveness of Internal Controls

OLD BUSINESS:

READING AND APPROVAL OF MINUTES OF PREVIOUS MEETING(s):

- Consideration and Adoption of the Minutes of February 24, 2022

REPORT OF THE TREASURER:

- Financial Statements and Expenditure List: February 18, 2022 - March 17, 2022

COMMITTEE UPDATES :

EXECUTIVE SESSION:

ADJOURNMENT

Chairman Approval: 2/12/22

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Regan Development Corp.
Project: 2802-21-08A

Application Date: 7/19/21 Contact: Lawrence Regan

Applicant Name and Address: 1055 Saw Miller River Road, #204
Ardsley, New York 10502

Project Address: 206 Smith Street
Freeport, New York 11520

Project:

The applicant intends to develop a 39,780 square foot building on .7505 acres of land. It will consist of a 31 unit, 2 story wood framed multiple dwelling building with 48 on-site parking space; unit mix to include 1 studio, 28 1 – bedrooms and 2 2-bedrooms. Site is currently vacant and is owned by an interdenominational organization which is tax exempt. This project will have 100% of the units as affordable.

Project Costs:

| | |
|--------------------------------|-----------------|
| Land acquisition | \$2,000,000.00 |
| Building /construction | \$9,506,870.00 |
| Site Work | \$25,000.00 |
| Machinery and Equipment | \$75,000.00 |
| Legal Fees | \$315,000.00 |
| Architectural/Engineering Fees | \$503,217.00 |
| Financial Charges | \$4,066,036.00 |
| Total | \$16,491,123.00 |

Employment:

| | Full | Part |
|----------------------|------|------|
| Present | 0 | 0 |
| 1 st Year | 1 | 1 |
| 2 nd Year | 1 | 1 |

LMA : .5 FTE (1 Part Timer)

Creation: of 1.5

Full Time: \$37,000 - \$50,000 Average: \$42,500.00

Approximately 60 construction jobs

Benefits Sought: 20 Year PILOT with possible 10 year extension if within compliance,
Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$4,575,000 x 8.625% = \$ 394,593.75

Mortgage \$1,630,000

Current Tax Information:

Section; 62, Block: 114, Lots: 18 (19, 20)

Parcels: 1

SD- Freeport 9

Total Tax if it were not currently exempt: \$37,351.77

Full Assessed Value: \$ 699,600

Total Assessment: \$6,996

General: Currently Tax Exempt (\$4,092.62 if it were not exempt)

School: Currently Tax Exempt (\$22,557.32 if it were not exempt)

Village: Currently Tax Exempt (\$10,701.83 if it were not exempt)

Estimated Taxes Once Built: \$100,999.98

Applicant Counsel: Dan Deegan

Transaction Counsel: Paul O'Brien

Regan Development Corp.
DRAFT PILOT

206 Smith Street
Freeport, New York 11520

Current Tax Information:

Section; 62, Block: 114, Lots: (18, 19, 20)

Parcels: 1

SD- Freeport 9

Current Total Taxes Year: Currently Tax Exempt

Current Total Taxes If It Were Not Tax Exempt: \$37,351.77

Estimated Taxes Once Built: \$100,999.98

- Based upon Shelter Rent Formula used for Affordable/Workforce Housing Developments
- 10% of (Rental Income less Utility Costs)

| PILOT Year | Total |
|---------------|------------|
| 1 | \$37,352 |
| 2 | \$37,352 |
| 3 | \$37,352 |
| 4 | \$45,035 |
| 5 | \$45,916 |
| 6 | \$46,813 |
| 7 | \$47,728 |
| 8 | \$48,661 |
| 9 | \$49,612 |
| 10 | \$50,581 |
| 11 | \$51,568 |
| 12 | \$52,575 |
| 13 | \$53,601 |
| 14 | \$54,647 |
| 15 | \$55,713 |
| 16 | \$56,799 |
| 17 | \$57,907 |
| 18 | \$59,035 |
| 19 | \$60,186 |
| 20 | \$61,358 |
| | If Within |
| Extended Term | Compliance |
| 21 | \$62,553 |
| 22 | \$63,771 |
| 23 | \$65,012 |
| 24 | \$66,277 |
| 25 | \$67,566 |
| 26 | \$68,880 |
| 27 | \$70,220 |
| 28 | \$71,584 |
| 29 | \$72,975 |
| 30 | \$74,393 |

8/31/21 – DRAFT

2/8/22 – SECOND DRAFT

2/17/22 – AMENDED DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PREPARED FOR:

Town of Hempstead Industrial Development Agency
350 Front Street, Room 234-A
Hempstead, NY 11550

Economic and Fiscal Impact

REGAN DEVELOPMENT CORP.

Town of Hempstead
Industrial Development Agency

MARCH 8, 2022

PREPARED BY:



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Saratoga Springs, NY 12866
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CAMOIN ASSOCIATES

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 43 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at **www.camoinassociates.com**. You can also find us on Twitter **@camoinassociate** and on **Facebook**.

THE PROJECT TEAM

Rachel Selsky
Vice President

Jessica Tagliafierro
Senior Analyst

CAMOIN ASSOCIATES

ABOUT THE STUDY

Camoin Associates was retained by the Town of Hempstead Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Regan Development Corp. The proposed project involves construction of 31 units for affordable housing at 206 Smith Street, Freeport, New York 11520. The goal of this analysis is to provide a complete assessment of the total economic, employment and tax impact of the project on the Town of Hempstead that result from the new household spending and on-site operations.

The primary tool used in this analysis is the input-output model developed by Economic Modeling Specialists Intl. (Emsi). Primary data used in this study was obtained from the developer's application for financial assistance to the Town of Hempstead Industrial Development Agency and included the following data points: on-site jobs, exemptions, and PILOT schedule. Secondary data was collected by Camoin Associates and used to estimate spending by new households.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the "multiplier effect." Note that previous impact reports commissioned by the Town of Hempstead Industrial Development Agency were presented in only three categories: direct impact, indirect impact, and total impact. Prior to 2020, Camoin Associates included both the indirect and induced impacts in the "indirect impact" category. Beginning in 2020, the indirect and induced impacts will be reported separately to allow for more accurate interpretation of results.

STUDY INFORMATION

Data Source:
Regan Development Corp
Application for Assistance and the
Town of Hempstead Industrial
Development Agency

Geography:
Town of Hempstead

Study Period:
2021

Modeling Tool:
Emsi

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on operations and new household spending at town businesses.

INDIRECT IMPACTS

The direct impacts have ripple effects through business to business spending. This spending results from the increase in demand for goods and services in industry sectors that supply both the facility and the businesses receiving the new household spending.

INDUCED IMPACTS

Impacts that result from spending by facility employees, employees of town businesses, and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the town on food, clothing, and other goods and services.

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EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from Regan Development Corp., LLC (the "Applicant") for the construction of 31 apartment units (the "Project") at 206 Smith Street, Freeport, NY 11520 (the "Site"). The development will consist of 31 affordable units (for residents earning 50% to 60% area median income), including one studio unit, 28 1-bedroom units, and 2 2-bedroom units. The Applicant is seeking a sales tax exemption, mortgage recording tax exemption, and a 30-year PILOT agreement (20 year PILOT with 10 year optional extension if within compliance) from the Agency. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on the Town of Hempstead (the "Town").

Camoin Associates conducted a market analysis and determined that 98% of the units (or 30 units) would be considered as providing "net new" households to the town as they allow households to exist in the town that would otherwise locate elsewhere. We then computed the total spending associated with these households to derive job creation resulting from the Project. The following is a summary of our findings from this study, with details below and in the following sections.

Table 1

Summary of Benefits

| | |
|--------------------------------------|------------|
| Total Jobs | 11 |
| Direct Jobs | 8 |
| Total Earnings | \$ 495,439 |
| Direct Earnings | \$ 318,403 |
| Annual Sales Tax Revenue | \$ 1,098 |
| Average Annual PILOT Payment | \$ 56,434 |
| Average Annual PILOT Payment to Town | \$ 1,129 |
| Average Annual PILOT Benefit | \$ 56,434 |
| Average Annual PILOT Benefit to Town | \$ 1,129 |

- ◆ The Project supports 11 net new jobs in the town, with over \$495,000 in associated earnings. These figures include net new jobs resulting from both maintenance and operation of the facility as well as economic activity that results from new household spending.
- ◆ The Applicant has negotiated terms of a proposed 30-year PILOT agreement with the Agency, where the applicant would pay an average of \$56,434 each year, of which \$1,129 will be allocated to the Town. Since the property is currently tax exempt, the PILOT represents an average annual benefit to the Town of \$1,129.
- ◆ Through negotiations with the Agency the Applicant could have access to a sales tax exemption valued at up to \$394,594 and a mortgage recording tax exemption valued at up to \$12,225. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a "cost" to the state and county since no future revenue stream would exist without the exemptions.

Table 2

Summary of Costs to Affected Jurisdictions

| | <u>State and County</u> | |
|------------------------|-------------------------|---------|
| Sales Tax Exemption | \$ | 394,594 |
| Mortgage Tax Exemption | \$ | 12,225 |

Source: Applicant, Camoin Associates

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ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates uses the input-output model designed by Economic Modeling Specialists, International (Emsi) to calculate total economic impacts. Emsi allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the town and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Town of Hempstead's economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the Town of Hempstead as a result of Project operation, new permanent jobs, and spending by new tenant households.

IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the town, the first step is to calculate the number of households that can be considered "net new" to the town economy. In other words, the number of households that, but for the Project, would not exist in the Town of Hempstead. With respect to this Project, net new households consist of those who are able to live in the jurisdictions as a result of the Project and would otherwise choose to live elsewhere. See Attachment B for more information on this methodology.

The Applicant proposes to construct 31 units, all targeted to households earning up to between 50% and 60%. Camoin Associates conducted a rental demand analysis for the Project site and found that 98% of the units, or 30 units, are net new to the town (Table 3). This is based on a review of the data and an understanding of the proposed Project as detailed above.

Table 3

Net New Households

| | Total Households | Percent Net New | Net New Households |
|------------|------------------|-----------------|--------------------|
| Affordable | 31 | 98% | 30 |
| Total | 31 | 98% | 30 |

Source: Esri, Camoin Associates

SPENDING BY NEW TENANTS

These residents make purchases in the town, thereby adding new dollars to the Town of Hempstead's economy. For this analysis, we researched spending patterns by household income to determine the spending by affordable-rate and market-rate tenants.

The 30 net new affordable units will be available to households earning up to between 50% 60% of Nassau County area median income (AMI).¹ We assume an average household size of 2 persons given the type of development and units. The 60% AMI income for a 2-person occupancy is \$60,750². Therefore, we will consider spending for tenants to be in the \$50,000 to \$69,999 spending basket, per the Bureau of Labor Statistics' 2019 Consumer Expenditure Survey.

¹ According to the Applicant.

² According to HUD's 2020-2021 income limits for the Nassau-Suffolk region.

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Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. According to the 2019 Consumer Expenditure Survey, households in affordable units have annual expenditures (excluding housing and utility costs) of \$28,738.

It is assumed that 70%³ of total expenditures would occur within the Town of Hempstead and, therefore, have an impact on the town's economy. The total net new spending columns show the total amount spent in the town and the village, respectively, based on the number of net new units.

Table 4
Tenant Spending Basket

| Affordable Units for Tenants Earning 50-60% AMI (\$50,000 to \$69,999 Annual Household Income) | | | | |
|--|---------------------------------------|----------------------------------|--|--|
| Category | Annual per Unit Spending Basket | Amount Spent in Town (70%) | Total Net New Town Spending (30 net new units) | |
| Food | \$ 7,922 | \$ 5,545 | \$ 166,362 | |
| Household furnishings and equipment | \$ 3,152 | \$ 2,206 | \$ 66,192 | |
| Apparel and services | \$ 2,886 | \$ 2,020 | \$ 60,606 | |
| Transportation | \$ 8,977 | \$ 6,280 | \$ 188,417 | |
| Health care | \$ 740 | \$ 518 | \$ 15,540 | |
| Entertainment | \$ 2,204 | \$ 1,543 | \$ 46,284 | |
| Personal care products and services | \$ 732 | \$ 512 | \$ 15,372 | |
| Education | \$ 1,014 | \$ 710 | \$ 21,294 | |
| Miscellaneous | \$ 1,116 | \$ 781 | \$ 23,436 | |
| Total Tenant Spending | \$ 28,738 | \$ 20,117 | \$ 603,498 | |

Source: 2019 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town and the village was calculated by multiplying the amount spent in each region by the number of net new units. As shown in the table above, spending in the town by all new households totals \$603,498 per year. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the town.

Using \$603,498 as the new sales input, Camoin Associates employed Emsi to determine the indirect, induced, and total impact of the Project on the Town of Hempstead.⁴ Table 5 outlines the findings of this analysis.

Table 5

| Economic Impact - Household Spending | | | | |
|--------------------------------------|-------------|-------------------|-------------------|--|
| | <u>Jobs</u> | <u>Earnings</u> | <u>Sales</u> | |
| Direct | 6 | \$ 217,122 | \$ 603,498 | |
| Indirect | 1 | \$ 52,373 | \$ 139,540 | |
| Induced | 1 | \$ 53,547 | \$ 132,734 | |
| Total | 8 | \$ 323,042 | \$ 875,771 | |

Source: Emsi, Camoin Associates

³ Based on an analysis of goods and services available within the town, using Esri Business Analyst. Every category of retail exists within the Town, but some portion of the retail expenditure occurs outside the Town limits.

⁴ Analysis uses the 33 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

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IMPACTS OF ON-SITE EMPLOYMENT

The Applicant anticipates that 2 jobs (1 full time and 1 part time) will be on-site within two years following Project completion. Since 98% of the housing units are considered net new to the town and village, 98% of the jobs, or 2 jobs (due to rounding), are considered to be net new. The table below detail the impact that these 2 jobs will have on the Town of Hempstead (Table 6).

Table 6

| Economic Impact - On-Site Operations | | | | |
|---|-------------|-----------|-----------------|-------------------|
| | <u>Jobs</u> | | <u>Earnings</u> | <u>Sales</u> |
| Direct | 2 | \$ | 101,281 | \$ 338,430 |
| Indirect | 1 | \$ | 50,658 | \$ 132,209 |
| Induced | 0 | \$ | 20,457 | \$ 50,812 |
| Total | 3 | \$ | 172,396 | \$ 521,451 |

Source: Emsi, Camoin Associates

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project on the Town of Hempstead in Table 7.

Table 7

| Total Annual Economic Impact | | | | |
|-------------------------------------|-------------|-----------|-----------------|---------------------|
| | <u>Jobs</u> | | <u>Earnings</u> | <u>Sales</u> |
| Direct | 8 | \$ | 318,403 | \$ 941,928 |
| Indirect | 2 | \$ | 103,031 | \$ 271,748 |
| Induced | 1 | \$ | 74,004 | \$ 183,546 |
| Total | 11 | \$ | 495,439 | \$ 1,397,223 |

Source: Emsi, Camoin Associates

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FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economies (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 30-year PILOT (10 year extension if within compliance at year 20) payment schedule based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the Town of Hempstead.⁵

Table 8

| Tax Payments with PILOT | | | |
|-------------------------|----------------|-----------|-------------------------|
| Year | PILOT Payments | | Town Portion of Payment |
| 1 | \$ | 37,352 | \$ 747 |
| 2 | \$ | 37,352 | \$ 747 |
| 3 | \$ | 37,352 | \$ 747 |
| 4 | \$ | 45,035 | \$ 901 |
| 5 | \$ | 45,916 | \$ 918 |
| 6 | \$ | 46,813 | \$ 936 |
| 7 | \$ | 47,728 | \$ 955 |
| 8 | \$ | 48,661 | \$ 973 |
| 9 | \$ | 49,612 | \$ 992 |
| 10 | \$ | 50,581 | \$ 1,012 |
| 11 | \$ | 51,568 | \$ 1,031 |
| 12 | \$ | 52,575 | \$ 1,052 |
| 13 | \$ | 53,601 | \$ 1,072 |
| 14 | \$ | 54,647 | \$ 1,093 |
| 15 | \$ | 55,713 | \$ 1,114 |
| 16 | \$ | 56,799 | \$ 1,136 |
| 17 | \$ | 57,907 | \$ 1,158 |
| 18 | \$ | 59,035 | \$ 1,181 |
| 19 | \$ | 60,186 | \$ 1,204 |
| 20 | \$ | 61,358 | \$ 1,227 |
| 21 | \$ | 62,553 | \$ 1,251 |
| 22 | \$ | 63,771 | \$ 1,275 |
| 23 | \$ | 65,012 | \$ 1,300 |
| 24 | \$ | 66,277 | \$ 1,326 |
| 25 | \$ | 67,566 | \$ 1,351 |
| 26 | \$ | 68,880 | \$ 1,378 |
| 27 | \$ | 70,220 | \$ 1,404 |
| 28 | \$ | 71,584 | \$ 1,432 |
| 29 | \$ | 72,975 | \$ 1,460 |
| 30 | \$ | 74,393 | \$ 1,488 |
| Total | \$ | 1,693,022 | \$ 33,860 |
| Average | \$ | 56,434 | \$ 1,129 |

Source: Town of Hempstead IDA, Camoin Associates

⁵ Typically, it is assumed that the Town of Hempstead will continue to receive the same portion of the PILOT payments as they do from a property's full tax bill. Since this property is currently tax exempt, we analyzed the tax bills of neighboring parcels (222 Smith St. and 194 Smith St.). On these parcels, the Town currently receives approximately 2% of total taxes (to county, town, and school district). It is assumed that the tax breakdown by jurisdiction would be similar at the Project and that the Town will receive 2% of total PILOT payments.

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TAX POLICY COMPARISON

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Since the Site is currently tax exempt, it is assumed that it would remain tax exempt into the future. As a result, the Town would not receive property tax revenue from the Site without the Project.

Table 9

| Tax Payments without Project | | | |
|-------------------------------------|------------------------|------------------------|---|
| <u>Year</u> | <u>Property Tax</u> | <u>Town Portion of</u> | |
| | <u>Payment Without</u> | <u>Payment Without</u> | |
| | <u>Project*</u> | <u>Project</u> | |
| 1 | \$ - | \$ - | - |
| 2 | \$ - | \$ - | - |
| 3 | \$ - | \$ - | - |
| 4 | \$ - | \$ - | - |
| 5 | \$ - | \$ - | - |
| 6 | \$ - | \$ - | - |
| 7 | \$ - | \$ - | - |
| 8 | \$ - | \$ - | - |
| 9 | \$ - | \$ - | - |
| 10 | \$ - | \$ - | - |
| 11 | \$ - | \$ - | - |
| 12 | \$ - | \$ - | - |
| 13 | \$ - | \$ - | - |
| 14 | \$ - | \$ - | - |
| 15 | \$ - | \$ - | - |
| 16 | \$ - | \$ - | - |
| 17 | \$ - | \$ - | - |
| 18 | \$ - | \$ - | - |
| 19 | \$ - | \$ - | - |
| 20 | \$ - | \$ - | - |
| 21 | \$ - | \$ - | - |
| 22 | \$ - | \$ - | - |
| 23 | \$ - | \$ - | - |
| 24 | \$ - | \$ - | - |
| 25 | \$ - | \$ - | - |
| 26 | \$ - | \$ - | - |
| 27 | \$ - | \$ - | - |
| 28 | \$ - | \$ - | - |
| 29 | \$ - | \$ - | - |
| 30 | \$ - | \$ - | - |
| Total | \$ - | \$ - | - |
| Average | \$ - | \$ - | - |

Source: Town of Hempstead IDA, Camoin Associates

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Table 10 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Over \$56,000 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$1.7 million over the 30-year period.

Table 10

| Tax Policy Comparison (All Jurisdictions) | | | | |
|---|---|---------------|------------------------------|-----------|
| Year | Property Tax Payment Without Project | PILOT Payment | Benefit (Cost) of Project | |
| 1 | \$ - | \$ 37,352 | \$ | 37,352 |
| 2 | \$ - | \$ 37,352 | \$ | 37,352 |
| 3 | \$ - | \$ 37,352 | \$ | 37,352 |
| 4 | \$ - | \$ 45,035 | \$ | 45,035 |
| 5 | \$ - | \$ 45,916 | \$ | 45,916 |
| 6 | \$ - | \$ 46,813 | \$ | 46,813 |
| 7 | \$ - | \$ 47,728 | \$ | 47,728 |
| 8 | \$ - | \$ 48,661 | \$ | 48,661 |
| 9 | \$ - | \$ 49,612 | \$ | 49,612 |
| 10 | \$ - | \$ 50,581 | \$ | 50,581 |
| 11 | \$ - | \$ 51,568 | \$ | 51,568 |
| 12 | \$ - | \$ 52,575 | \$ | 52,575 |
| 13 | \$ - | \$ 53,601 | \$ | 53,601 |
| 14 | \$ - | \$ 54,647 | \$ | 54,647 |
| 15 | \$ - | \$ 55,713 | \$ | 55,713 |
| 16 | \$ - | \$ 56,799 | \$ | 56,799 |
| 17 | \$ - | \$ 57,907 | \$ | 57,907 |
| 18 | \$ - | \$ 59,035 | \$ | 59,035 |
| 19 | \$ - | \$ 60,186 | \$ | 60,186 |
| 20 | \$ - | \$ 61,358 | \$ | 61,358 |
| 21 | \$ - | \$ 62,553 | \$ | 62,553 |
| 22 | \$ - | \$ 63,771 | \$ | 63,771 |
| 23 | \$ - | \$ 65,012 | \$ | 65,012 |
| 24 | \$ - | \$ 66,277 | \$ | 66,277 |
| 25 | \$ - | \$ 67,566 | \$ | 67,566 |
| 26 | \$ - | \$ 68,880 | \$ | 68,880 |
| 27 | \$ - | \$ 70,220 | \$ | 70,220 |
| 28 | \$ - | \$ 71,584 | \$ | 71,584 |
| 29 | \$ - | \$ 72,975 | \$ | 72,975 |
| 30 | \$ - | \$ 74,393 | \$ | 74,393 |
| Total | \$ - | \$ 1,693,022 | \$ | 1,693,022 |
| Average | \$ - | \$ 56,434 | \$ | 56,434 |

Source: Town of Hempstead IDA, Camoin Associates

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Table 11 calculates the benefit to the Town. The Town would receive approximately \$1,000 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Town would be nearly \$34,000 over the 30-year period.

Table 11

| Tax Policy Comparison for Town | | | | |
|--------------------------------|---|---------------|------------------------------|--------|
| Year | Property Tax Payment Without Project | PILOT Payment | Benefit (Cost) of Project | |
| 1 | \$ - | \$ 747 | \$ | 747 |
| 2 | \$ - | \$ 747 | \$ | 747 |
| 3 | \$ - | \$ 747 | \$ | 747 |
| 4 | \$ - | \$ 901 | \$ | 901 |
| 5 | \$ - | \$ 918 | \$ | 918 |
| 6 | \$ - | \$ 936 | \$ | 936 |
| 7 | \$ - | \$ 955 | \$ | 955 |
| 8 | \$ - | \$ 973 | \$ | 973 |
| 9 | \$ - | \$ 992 | \$ | 992 |
| 10 | \$ - | \$ 1,012 | \$ | 1,012 |
| 11 | \$ - | \$ 1,031 | \$ | 1,031 |
| 12 | \$ - | \$ 1,052 | \$ | 1,052 |
| 13 | \$ - | \$ 1,072 | \$ | 1,072 |
| 14 | \$ - | \$ 1,093 | \$ | 1,093 |
| 15 | \$ - | \$ 1,114 | \$ | 1,114 |
| 16 | \$ - | \$ 1,136 | \$ | 1,136 |
| 17 | \$ - | \$ 1,158 | \$ | 1,158 |
| 18 | \$ - | \$ 1,181 | \$ | 1,181 |
| 19 | \$ - | \$ 1,204 | \$ | 1,204 |
| 20 | \$ - | \$ 1,227 | \$ | 1,227 |
| 21 | \$ - | \$ 1,251 | \$ | 1,251 |
| 22 | \$ - | \$ 1,275 | \$ | 1,275 |
| 23 | \$ - | \$ 1,300 | \$ | 1,300 |
| 24 | \$ - | \$ 1,326 | \$ | 1,326 |
| 25 | \$ - | \$ 1,351 | \$ | 1,351 |
| 26 | \$ - | \$ 1,378 | \$ | 1,378 |
| 27 | \$ - | \$ 1,404 | \$ | 1,404 |
| 28 | \$ - | \$ 1,432 | \$ | 1,432 |
| 29 | \$ - | \$ 1,460 | \$ | 1,460 |
| 30 | \$ - | \$ 1,488 | \$ | 1,488 |
| Total | \$ - | \$ 33,860 | \$ | 33,860 |
| Average | \$ - | \$ 1,129 | \$ | 1,129 |

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

OTHER EXEMPTIONS

There are additional benefits to working with the Agency including a one-time sales tax exemption on renovation materials and furniture, fixtures, and equipment as well as a mortgage recording tax exemption. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 12

| Summary of Costs to Affected Jurisdictions | |
|---|-------------------------|
| | <u>State and County</u> |
| Sales Tax Exemption | \$ 394,594 |
| Mortgage Tax Exemption | \$ 12,225 |

Source: Applicant, Camoin Associates

The additional incentives offered by the Agency will benefit the Applicant but will not negatively affect the taxing jurisdictions because, without the Project, the Town by definition would not be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE**SALES TAX REVENUE – NEW HOUSEHOLD SPENDING**

As a result of the Project, the Town would receive sales tax revenue from the purchases made by the households. Table 13 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 13

| Annual Sales Tax Revenue Household Spending | |
|--|------------|
| Total New Spending | \$ 875,771 |
| Amount Taxable (30%) | \$ 262,731 |
| New Town Sales Tax Revenue Portion* | 0.375% |
| New Town Tax Revenue | \$ 985 |

*Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

Source: Town of Hempstead IDA, Camoin Associates

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the town (see table entitled "Tenant Spending Baskets"). It is assumed that 30% of purchases will be taxable, based on the spending baskets of tenants and the understanding that certain non-taxable items (related to housing expenses) have been removed from the total spending line, this increasing the remaining portion taxable.

CAMOIN ASSOCIATES

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs that will occur as a result of building operation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the town. It is assumed that 70% of the earnings would be spent within the Town of Hempstead and that 25% of those purchases will be taxable. Table 14 displays the annual tax revenue that the Town will receive.

Table 14

| Annual Sales Tax Revenue On-Site Operations | |
|--|------------|
| Total New Earnings | \$ 172,396 |
| Amount Spent in County (70%) | \$ 120,677 |
| Amount Taxable (25%) | \$ 30,169 |
| New Town Sales Tax Revenue Portion* | 0.375% |
| New Town Tax Revenue | \$ 113 |

*Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

Source: Town of Hempstead IDA, Camoin Associates

TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 15.

Table 15

| Total Annual Sales Tax Revenue | |
|---------------------------------------|----------|
| Household Spending | \$ 985 |
| On-Site Operations | \$ 113 |
| New Town Tax Revenue | \$ 1,098 |

Source: Town of Hempstead IDA, Camoin Associates

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

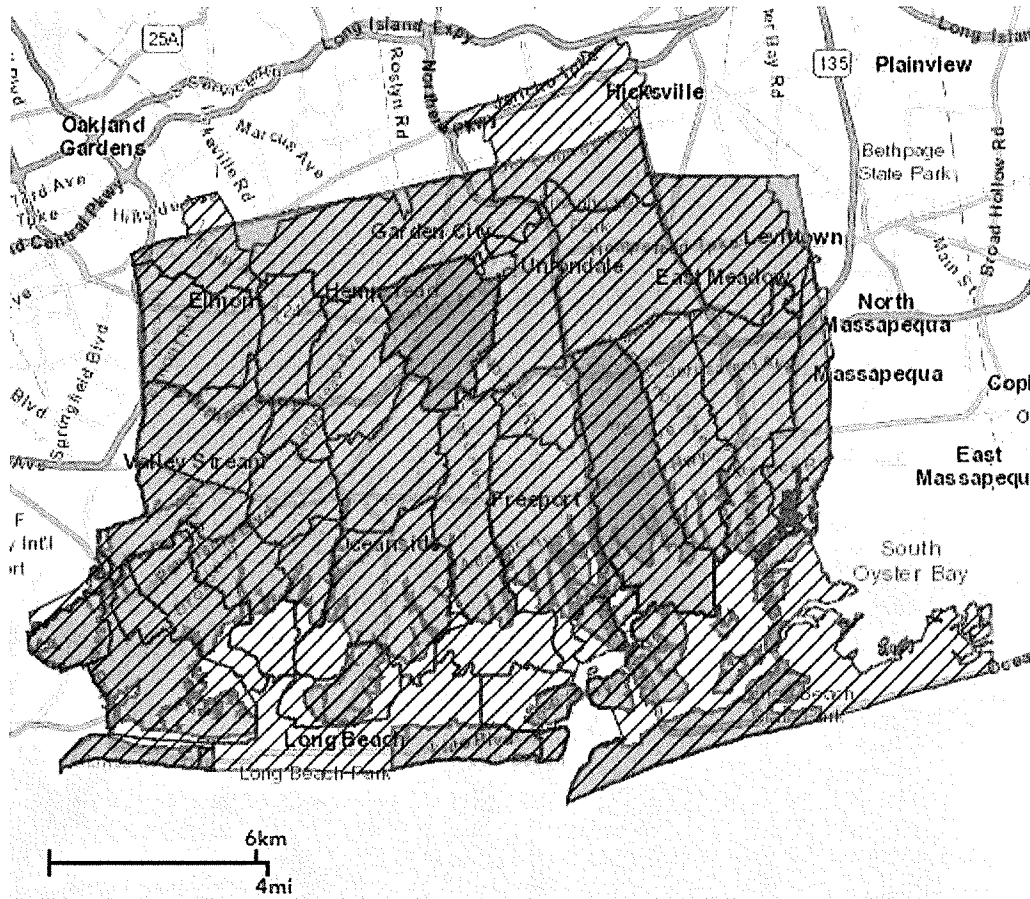
The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify where households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

CAMOIN ASSOCIATES

ATTACHMENT C: STUDY AREAS

Town of Hempstead (Green) and Zip Code Region (Red outline with dashes)





Leading action to grow your economy

Camoin Associates
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Saratoga Springs, NY 12866
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@camoinassociate



*PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY*

**Carman Place Apartments, LLC
2802-21-19A (RESIDENTIAL PORTION)**

Application Date: 10/15/21 Contact: Roger Pine

Applicant Name and Address: 1000 University Avenue, Suite 500
Rochester, NY 14607

Project Address: 155-162 Main Street, 163-169 Main Street,
171 Main Street, 173 – 175 Main Street,
177-179 Main Street, 122 Bedell Street,
126 Bedell Street,
(no designation yet) Bedell Street,
(no designation yet) Columbia Street.
Hempstead, NY 11550

Project: The Applicant seeks to demolish an existing 15,573 square foot building and develop, construct, operate and own two-residential buildings with a total of 228 affordable rental units, including 1 superintendent's unit, plus a 22,600 square foot commercial space on Main Street and Bedell Street in the Village of Hempstead. The total square feet of both buildings will be 323,198. The residential buildings will consist of 30 studio apartments, 140 one-bedroom, and 57 two-bedroom apartments. These apartments will be 100% workforce housing, income-restricted for individuals and families earning up to \$116,910. The project will also consist of structured parking that will accommodate 296 below, at grade and street level parking spaces. 228 spaces will be designated for residential and 68 will be designated for retail of which 42 will be metered on-street parking. The proposed 22,600SF of commercial space will target retail tenants. In total this project will be constructed on 2.54 acres.

Project Costs:

| | |
|--------------------------------------|----------------------|
| Land and/or building acquisition | \$10,906,125 |
| Building(s) demolition/construction | \$59,744,645 |
| Building renovation | \$0 |
| Site Work | \$6,572,250 |
| Machinery and Equipment | \$1,905,000 |
| Legal Fees | \$531,257 |
| Architectural/Engineering Fees | \$2,025,748 |
| Financial Charges | \$15,295,937 |
| Other (Soft Costs/Professional Fees) | \$18,729,806 |
| TOTAL | \$115,710,769 |

Employment:

| | Full | Part |
|----------------------|------|------|
| Present | 0 | 0 |
| 1 st Year | 5 | 0 |
| 2 nd Year | 5 | 0 |

Number of jobs represent commercial space employment

LMA : 100%

Creation: of 5 FTE by year one

Average Salary of Employees: \$53,289.00

Range: \$35,526-\$71,052.00

Temporary Construction Jobs: 200

Benefits Sought:

30 Year PILOT, MRT and STE on RESIDENTIAL PORTION

Based on 93% of the square footage

Benefit Analysis:

Goods and services eligible for sales tax exemption: \$39,596,510

Sales Tax Exemption Requested: \$3,415,199

Mortgage \$60,217,050.00 x .75% = \$451,627.88

Current Tax Information Tax on both Condo Units:

Section; 34, Block: 195, Lots: 8(9,10,116), 111, 129, 130, 131(132), 135, 138

Parcels: 7

SD- Hempstead 1

Total Current Tax Tax on both Condo Units: \$231,850.35

21 General: \$19,431.79

21 – 22 School: \$119,516.48

21 Village: \$92,902.08

Estimated Taxes Once Built: \$1,240,061.00

Counsel: Dan Deegan/John Gordon

IDA Counsel: Bill Weir

PILOT Schedule

3/17/2022

Carman Place Apartments

(RESIDENTIAL PORTION)

Section 34, Block 195, Lots 8, 9, 10, 111, 116, 129, 130, 131-132, 135, & 138**30 YEARS****RESIDENTIAL UNIT**

| <u>YEAR</u> | <u>Residential:</u> |
|-------------|--|
| | <u>10% Gross shelter</u> <u>rent after completion</u> |
| 1 | \$215,620 |
| 2 | \$215,620 |
| 3 | \$215,620 |
| 4 | \$341,276 |
| 5 | \$347,913 |
| 6 | \$354,676 |
| 7 | \$361,569 |
| 8 | \$368,594 |
| 9 | \$375,753 |
| 10 | \$383,049 |
| 11 | \$390,485 |
| 12 | \$398,062 |
| 13 | \$405,784 |
| 14 | \$413,653 |
| 15 | \$421,672 |
| 16 | \$429,844 |
| 17 | \$438,171 |
| 18 | \$446,657 |
| 19 | \$455,304 |
| 20 | \$464,116 |
| 21 | \$473,095 |
| 22 | \$482,244 |
| 23 | \$491,567 |
| 24 | \$501,067 |
| 25 | \$510,747 |
| 26 | \$520,611 |
| 27 | \$530,661 |
| 28 | \$540,901 |
| 29 | \$551,335 |
| 30 | \$561,966 |

First 3 years at 93% of current assessment for construction period.**Remaining 7% paid on commercial portion**

RESIDENT RELOCATION PLAN – CARMAN PLACE APARTMENT

Conifer is in contract to purchase 122 Bedell Street and 126 Bedell Street, which currently stand as two (2) single family homes that are occupied by residents, to be part of a larger development that will create affordable housing and ground floor commercial space. Conifer believes in a collaborative approach focused on working with the existing community to ensure an integrative transition of ownership. The primary goal is to create quality housing opportunities for the residents who are most vulnerable in the existing conditions. Because relocation creates a hardship, Conifer is committed to providing the required assistance to ensure all tenants receive individualized attention.

With consent of the Seller and Landlord, Conifer will reach out to each tenant individually through written correspondence and physically going to each property. An open dialog will be encouraged to understand the hardship and customize an approach to address tenant's questions and concerns. Conifer plans to retain Housing Opportunities Unlimited (HOU), to provide comprehensive relocation planning and implementation services. HOU has over thirty-seven years of experience providing relocation planning and implementation services, case management and resident services to the residents relocated 16,000 units and provides service to 170 sites. The intention is to provide every tenant with a dedicated team of professional that can provide a range of needed services.

Conifer and HOU will create a comprehensive tenant relocation plan that will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (the URA), 42 U.S.C Section 4601 *et seq.* and applicable requirements under state and local regulations.

RELOCATION SERVICES AND PROCEDURES

1. Relocation Administration

Susan Connelly, Chief Operating Officer, will provide project planning and oversight of all relocation implementation services. A Relocation Coordinator will be hired to specifically oversee the relocation of the existing residents. The Relocation Coordinator will be responsible for conducting meetings with Affected Residents, including commercial agencies, providing the required Resident Notices, providing referrals to supportive services and technical assistance, identifying comparable housing units/replacement locations, scheduling and coordinating relocation moves, administering relocation benefits,

coordinating utility hook-ups, conducting follow-up visits, communicating on an ongoing basis with tenants as needed and documenting the relocation activities.

2. Relocation Needs Assessment

The Relocation Staff will conduct individual Relocation Needs Assessment sessions with all Affected Residents to assess current housing needs. This process allows us to learn if there are concerns and potential barriers to relocation. For households whose first language is not English, the assessment will be conducted by a bilingual Relocation staff person or with a professional interpreter services company. Given the current COVID-19 pandemic, Relocation Staff will offer an option to administer these assessments either over the phone or through video conferencing.

The Relocation Staff will update each tenant's needs and document other information that may be relevant in identifying a suitable relocation unit for each household; to ensure each household receives the necessary and required relocation services, benefits and payments; and to minimize the adverse impacts of relocation. At a minimum, the information documented on the Needs Assessment Form will:

- a. Assess the number of residents to be relocated, including family size and bedroom size needs, and special consideration of the impact of relocation on elders and people with disabilities.
- b. For households with special needs, identify suitable relocation or rehousing units (e.g., need for accessibility features or other reasonable accommodations, pets, proximity to services or family supports).
- c. Identify any planned vacations, observed religious holidays, or hospitalizations during the relocation.
- d. Identify the need for assistance with relocation preparations (packing assistance, utility transfers, social service provider referrals and/or notifications, postal and address updates).
- e. Evaluate each household's furnishings, personal belongings, and appliances, with special attention to large furnishings, housekeeping/clutter/hoarding/ pest issues.
- f. Identify the need for pest infestation and/or hoarding resolution assistance; these issues will be addressed during the relocation process.

- g. Collect contact information for other family members, friends or advocates that may be contacted by Relocation Staff to assist in preparing relocation.
- h. Identify other issues of importance to the household.

Resident issues/needs that are identified through this survey will guide relocation planning.

HOU staff will provide comprehensive relocation advisory services for any tenant who needs to be relocated permanently, including working with an area rental real estate broker to help and other assistance (prioritized in accordance with the construction schedule) to help residents find another home and prepare to move. In accordance with applicable state and federal regulations according to the procedures set out in 49 CFR24.204, no legal occupant shall be required to move from a dwelling unit unless at least one comparable replacement dwelling has been made available.

RESIDENT NOTIFICATION

1. Each resident will receive a General Information Notice (GIN). This will notify the resident that the intent to demolish the building to create a development that may receive funding from the U.S. Department of Housing and Urban Development (HUD) under the Federal Housing Trust Fund and HOME Programs. This notice explains the proposed development and describes the available relocation assistance.
2. Prior to receipt of funding, a notice will be sent to the residents, requesting certification of items such the unit type, address, the amount of monthly rent and utilities that are paid, in addition to their current annual income. The residents will certify the GIN and receive a copy of the HUD Guidance on Relocation Assistance.
3. A Notice of Eligibility to inform Residents the available relocation benefits and assistance.
4. Residents will also receive a 90 Day Notice prior to the start of construction that will contain Comparable Replacement Dwellings.

REPLACEMENT HOUSING OPTIONS

Conifer Realty owns and manages hundreds of affordable housing dwellings across Long Island. Residents will be offered placement at these properties

pending application. There are three Conifer affordable properties immediately surrounding the Project site: Twin Oaks, Cathedral Place, and Copiague Commons. The residents will have the right to relocate to a non-Conifer owned property and will work closely with HOU on finding a quality place to call home. The hope is that residents will have the opportunity to return to Carman Place Apartment upon completion. Residents contact information will be added to the outreach list to be notified when applications become available.

RELOCATION ASSISTANCE

Resident services will include but are not limited to:

- Explanation of relocation rights, resources, and eligible moving costs.
- Disclosing all available relocation benefits.
- Conducting outreach to potential landlords and identifying comparable replacement housing.
- Issuing Notice of Eligibility and 90 Day Notice.
- Assisting with completed required paperwork, including, but not limited to, rental applications and leases.
- Accompanying residents on pre-inspection of units to ensure decent, safe, and sanitary conditions.
- Coordinating transportation to facilitate the relocation process, if necessary.
- Aid with moving coordination, including utility disconnection and connection, completing post office change of address forms, providing packaging and unpackaging assistance for elderly and disabled households requiring such assistance, and arranging for storage, as needed.
- Provide residents with packing materials.
- Schedule and work closely with moving contractors to ensure moves are completed in a timely organized manner.
- Disburse rental relocation payments.

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

Carman Place Apartments, LLC
2802-22-03A (COMMERCIAL PORTION)

Application Date: 10/15/21 Contact: Roger Pine

Applicant Name and Address: 1000 University Avenue, Suite 500
Rochester, NY 14607

Project Address: 155-162 Main Street, 163-169 Main Street,
171 Main Street, 173 – 175 Main Street,
177-179 Main Street, 122 Bedell Street,
126 Bedell Street,
(no designation yet) Bedell Street,
(no designation yet) Columbia Street.
Hempstead, NY 11550

Project: The Applicant seeks to demolish an existing 15,573 square foot building and develop, construct, operate and own two-residential buildings with a total of 228 affordable rental units, including 1 superintendent's unit, plus a 22,600 square foot commercial space on Main Street and Bedell Street in the Village of Hempstead. The total square feet of both buildings will be 323,198. The residential buildings will consist of 30 studio apartments, 140 one-bedroom, and 57 two-bedroom apartments. These apartments will be 100% workforce housing, income-restricted for individuals and families earning up to \$116,910. The project will also consist of structured parking that will accommodate 296 below, at grade and street level parking spaces. 228 spaces will be designated for residential and 68 will be designated for retail of which 42 will be metered on-street parking. The proposed 22,600SF of commercial space will target retail tenants. In total this project will be constructed on 2.54 acres.

Project Costs:

| | |
|--------------------------------------|--------------------|
| Land and/or building acquisition | \$543,875 |
| Building(s) demolition/construction | \$2,979,392 |
| Building renovation | \$0 |
| Site Work | \$327,750 |
| Machinery and Equipment | \$95,000 |
| Legal Fees | \$26,493 |
| Architectural/Engineering Fees | \$101,022 |
| Financial Charges | \$762,790 |
| Other (Soft Costs/Professional Fees) | \$934,032 |
| TOTAL | \$5,770,353 |

PILOT Schedule

12/3/2021

Carman Place Apartments

(COMMERCIAL PORTION)

Section 34, Block 195, Lots 8, 9, 10, 111, 116, 129, 130, 131-132, 135, & 138

COMMERCIAL CONDO UNIT

Commercial:

| <u>YEAR</u> | <u>Phase-in of assessment</u> |
|-------------|-----------------------------------|
|-------------|-----------------------------------|

| | |
|----|-----------|
| 1 | \$16,230 |
| 2 | \$16,230 |
| 3 | \$16,230 |
| 4 | \$23,623 |
| 5 | \$31,016 |
| 6 | \$38,408 |
| 7 | \$45,801 |
| 8 | \$53,194 |
| 9 | \$60,587 |
| 10 | \$67,980 |
| 11 | \$75,373 |
| 12 | \$82,765 |
| 13 | \$90,158 |
| 14 | \$97,551 |
| 15 | \$104,944 |
| 16 | \$112,337 |
| 17 | \$119,730 |
| 18 | \$127,122 |
| 19 | \$134,515 |
| 20 | \$141,908 |

CURRENT COMMERCIAL SHARE OF TAX BASED ON AS-BUILT RATIO OF COMMERCIAL TO TOTAL SQUARE FEET (7%)

Phase-in amount:

\$141,908.00

Share of current
TOTAL
PER YEAR (1/17)

-\$16,230
\$125,678.00
\$7,392.82

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

43-47 Broadway Realty, LLC
Project: 2802-21-04A

Application Date: 6/28/21 Contact: Kenneth Breslin

Applicant Name and Address: 43-47 Broadway Realty, LLC

Project Address: 17 & 21 Langdon Place
47 Broadway
90 & 96 Station Plaza
Lynbrook, NY 11563

Project:

The applicant intends to demolish a vacant building, as well as a warehouse and distribution center and a residential home. The project site would be developed into a multi-family transit oriented development. The project would be comprised of 201 Residential Units, consisting of approximately. 55 Studios, 111 One Bedrooms, and 35 Two Bedroom Units; approximately 278,014 square foot building with approximately 2,000 Square feet of ground floor/ retail/amenity space with 205 on-site parking spaces. 10% of the residential units will be set aside as affordable housing, pursuant to U.S. Department of Housing and Urban Development guidelines.

Project Costs:

| | |
|-------------------------------------|-------------------|
| Land and/or building acquisition | \$13,189,000.00 |
| Building(s) demolition/construction | \$58,256,493.00 |
| Site Work | \$2,390,000.00 |
| Machinery and Equipment | \$7,657,579.00 |
| Legal Fees | \$1,060,000.00 |
| Architectural/Engineering Fees | \$2,451,900.00 |
| Financial Charges | \$4,929,868.00 |
| Other | \$13, 806,001.00 |
| Total | \$ 103,740,841.00 |

Employment:

| | Full | Part |
|----------------------|------|------|
| Present | 0 | 0 |
| 1 st Year | 7 | 3 |
| 2 nd Year | 7 | 3 |

LMA : 100%

Creation: of 8.5 FTE

Average Salary of Hourly Employees: \$24-46 an hour

Full Time: \$45,000 - \$85,000 Average: \$65,000.00

Part Time \$25,000.00 Average: \$25,000.00

Benefits Sought: 30 Year PILOT, Sales Tax Exemption, MRT Exemption

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$21,933,128 x 8.625% = \$ 1,891,732.29

Mortgage \$69,169,848 = \$518,773.86

Current Tax Information:

Section; 37, Block: 519, Lots: 13,14,(117-118),(119-124),213

Parcels: 5

SD- Lynbrook 20

Total Tax: \$183,919.35

Full Assessed Value: \$ 3,721,500.00

Land Assessment Total: \$10,946.00

Total Assessment: \$31,869.00

General: \$18,608.57

School: \$119,295.07

Village: \$46,015.71

Estimated Taxes Once Built: \$1,144,083.20

Applicant Attorney: Elisabetta Coschignano

IDA Transaction Counsel: Bill Weir

43-47 Broadway Realty, LLC
PILOT

17 & 21 Langdon Place
47 Broadway
90 & 96 Station Plaza
Lynbrook, NY 11563

Current Tax Information:

Section; 37, Block: 519, Lots: 13,14,(117-118),(119-124),213

Parcels: 5

SD- Lynbrook 20

Current Total Taxes Year: \$183,919.35

Estimated Taxes Once Built: \$1,144,083.20

| Year | Total |
|------|----------------|
| 1 | \$185,000.00 |
| 2 | \$185,000.00 |
| 3 | \$185,000.00 |
| 4 | \$200,000.00 |
| 5 | \$225,000.00 |
| 6 | \$250,000.00 |
| 7 | \$325,000.00 |
| 8 | \$380,000.00 |
| 9 | \$450,000.00 |
| 10 | \$525,000.00 |
| 11 | \$600,000.00 |
| 12 | \$675,000.00 |
| 13 | \$750,000.00 |
| 14 | \$830,000.00 |
| 15 | \$900,000.00 |
| 16 | \$1,145,000.00 |
| 17 | \$1,180,000.00 |
| 18 | \$1,230,000.00 |
| 19 | \$1,275,000.00 |
| 20 | \$1,320,000.00 |
| 21 | \$1,360,000.00 |
| 22 | \$1,400,000.00 |
| 23 | \$1,450,000.00 |
| 24 | \$1,500,000.00 |
| 25 | \$1,540,000.00 |
| 26 | \$1,575,000.00 |
| 27 | \$1,625,000.00 |
| 28 | \$1,680,000.00 |
| 29 | \$1,720,000.00 |
| 30 | \$1,800,000.00 |

8/30/21 – DRAFT

11/18/21 – PILOT Approved/Authorized

2/16/22 – Needs Re-Adoption (New Equity Partner)

This Pilot has NOT been approved by the Hempstead IDA Board

-----X

NOTICE OF PUBLIC HEARING

RE: 43-47 BROADWAY REALTY LLC

-----X

1 Columbus Drive
Lynbrook, New York

March 9, 2022
10:00 a.m.

B E F O R E:

MICHAEL LODATO, Deputy Executive Director

FREDERICK E. PAROLA, CEO

Dolly Fevola,
Court Reporter

A P P E A R A N C E S :

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
350 Front Street
Hempstead, New York 11550
BY: MICHAEL LODATO

ALSO PRESENT:

MAYOR ALAN BEACH

ELISABETTA T. COSCHIGNANO, ESQ.

LAURA RYDER, Village Trustee

JOHN GIORDANO, Village Administrator

1
2 HEARING OFFICER LODATO: Good
3 morning. My name is Michael Lodato.
4 I'm with the Town of Hempstead
5 Industrial Development Agency. I'm
6 the Deputy Executive Director and
7 I'm accompanied by the CEO, Fred
8 Parola.

9 MR. PAROLA: Good morning
10 everyone.

11 HEARING OFFICER LODATO: We're
12 here to open a meeting on 43-47
13 Broadway Realty on the 9th day of
14 March. We are viewing the time
15 being 10:05 a.m. and we're opening
16 the hearing.

17 If anyone would like to come up
18 and testify, please state your name
19 and do so for the record. Thank
20 you.

21 And just for the record, this
22 is a supplementary hearing. The
23 project had increased its costs
24 slightly and the equity ownership
25 had changed which triggered a new

1
2 hearing so this has already had a
3 public hearing but this is a
4 supplemental hearing as well.

5 I'm now going to enter the
6 Notice of Public Hearing into the
7 record and hand it over to the
8 stenographer for input.

9 Notice is hereby given that a
10 public hearing pursuant to Title 1
11 of Article 18-A of the New York
12 State General Municipal Law will be
13 held by the Town of Hempstead
14 Industrial Development Agency (the
15 "Agency") on the 9th day of March,
16 2022, at 10:00 a.m., local time, at
17 1 Columbus Drive, Lynbrook Village
18 Hall, Village of Lynbrook, Town of
19 Hempstead, New York in connection
20 with the following matters:

21 43-47 Broadway Realty LLC, a
22 limited liability company organized
23 and existing under the laws of the
24 State of Delaware, on behalf of
25 itself and/or the principals of

43-47 Broadway Realty LLC and/or an entity formed or to be formed on behalf of the foregoing (collectively, the "Company"), has applied to the Town of Hempstead Industrial Development Agency (the "Agency"), for assistance in the acquisition of an approximately 1.11 acre parcel of land, located at the intersection of Broadway, Saperstein Plaza and Langdon Place, Village of Lynbrook, New York (more particularly NCTM Section 37, Block 519, Lots 13, 14, 117-124 and 213) (the "Land"), the demolition of an existing approximately 50,878 square foot building thereon, the construction of an approximately 278,014 square foot rental apartment building thereon, with approximately 201 rental units, (the proposed 201 apartments will include 55 studio units, 111 one-bedroom units and 35 two-bedroom units), approximately

2,028 square feet of ground retail and amenity space and the construction of an approximately 73,205 square foot 205-car parking garage, approximately (the "Improvements"), and the acquisition and installation therein of certain equipment and person property (the "Equipment"; and together with the Land and the Improvements, the "Facility"), which Facility will be subleased by the Agency to the Company and used by the Company as (a) a mixed use multi-family development with a mix of units, 111 on-bedroom units and 35 two-bedroom units, and ground floor retail space (the "Project"). Ten percent of the residential units will be set aside as "affordable housing" pursuant to U.S. Department of Housing and Urban Development Guidelines. The Facility will be initially owned, operated and/or managed by the

Company.

A public hearing was previously held on November 16, 2022. The Company has since submitted an amendment to its application to the Agency revising the financial benefits requested and the identification of the principals of the Company.

The Facility will be leased by the Company to the Agency pursuant to a certain Company Lease and will be subleased by the Agency to the Company pursuant to a certain Lease and Project Agreement.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes and abatement of real property

taxes, consistent with the policies and resolutions of the Agency.

A representative of the Agency will, at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed grant of financial assistance to the Company by the Agency or the location or nature of the Facility. Prior to the hearing, all person will have the opportunity to review on the Agency's website (<https://tohida.org/>) the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the construction and ongoing operation of the proposed Facility.

If you would like to speak, please state your name and put your appearance on the record that you were in attendance.

MR. GIORDANO: We are Laura
Ryder, Village Trustee and John
Giordano, Village Administrator.

MS. COSCHIGNANO: Elisabetta T.
Coschignano, Sahn Ward, attorneys
for the project.

MAYOR BEACH: Mayor Alan Beach.

MR. LODATO: Off the record.

(Whereupon, a recess was taken
while awaiting any attendees.)

HEARING OFFICER LODATO: If no
one else would like to testify, we
are going to close this public
hearing at 10:25 a.m. on March 9th
sine die.

Thank you everyone for
attending.

(Time noted: 10:25 a.m.)

CERTIFICATION

I, DOLLY FEVOLA, a Notary Public in
and for the State of New York, do hereby certify:

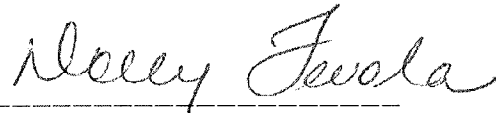
THAT the witness whose testimony is herein
before set forth, was duly sworn by me; and

THAT the within transcript is a true record
of the testimony given by said witness.

I further certify that I am not related,
either by blood or marriage, to any of the parties
to this action; and

THAT I am in no way interested in
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 9th day of March, 2022.

A handwritten signature in cursive script, reading "Dolly Fevola", is written over a horizontal dashed line.

DOLLY FEVOLA



Direct Dial: (214) 373-5233
E-Mail: tina.barry@macerich.com

March 10, 2022

VIA E-MAIL (AEames@tohmail.org)

Arlyn Eames, Deputy Financial Officer
Town of Hempstead Industrial Development Agency
350 Front Street
Hempstead, New York 11550

**Re: IDA Approval of Tenant Sublease
Valley Stream Green Acres LLC 2015 Facility
2034 Green Acres Road South, Valley Stream, NY 11581**

Dear Ms. Eames:

In accordance with instructions from Daniel Baker of Certilman Balin Adler & Hyman, LLP, attached please find sent directly to you a copy of the tenant sublease for your approval in accordance with Section 9.3 of the Lease Agreement dated May 1, 2015 for the above referenced location ("Valley Stream Green Acres Lease") related to the following:

- **Size of Premises:** 3,000 square feet
- **Tenant:** Windsor Fashions, LLC dba Windsor Fashions
- **Address:** 1018 Green Acres, Mall Valley Stream, NY 11581
- **Estimated employees:** 7 full-time
- **Estimated total annual payroll:** \$225,000.00

Also attached is a chart regarding the corresponding tenant sublease provisions compared to the provisions listed in Exhibit G of the Valley Stream Green Acres Lease as indicated in Nancy Rendos' 7/15/15 memo to you.

Please note, there is no NDA requested in connection with this Lease.

Please confirm your approval of the lease and execution of the resolution by the TOHIDA approving the lease by a reply email to me so I may proceed with execution of the tenant sublease as soon as possible. If you have any questions in the meantime, please do not hesitate to contact me at 214.373.5233.

Sincerely,

Tina Barry
Senior Manager, Legal Leasing

cc: Daniel J. Baker, Certilman et al., via e-mail dbaker@certilmanbalin.com
Edie Longo, via e-mail elongo@tohmail.org (with attachments)
Terance Walsh, Nixon Peabody, via e-mail twalsh@nixonpeabody.com (with attachments)
Roz Doran, Nixon Peabody, via email rdoran@nixonpeabody.com (with attachments)
Beth Wood, Nixon Peabody, via email ewood@nixonpeabody.com (with attachments)
Emma Feary, Nixon Peabody, via email efeary@nixonpeabody.com (with attachments)
Nancy Rendos, via e-mail nancy.rendos@macerich.com
Joe Floccari, via e-mail joe.floccari@macerich.com

RESOLUTION

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

APPOINTMENT OF CONTRACTING OFFICER/COMPLIANCE OFFICER

WHEREAS, the Industrial Development Agency seeks to appoint a Contracting/Compliance Officer in accordance with the provisions of the Public Authorities Accountability Act and;

WHEREAS, by the adoption of this resolution a Contracting/Compliance Officer for the Town of Hempstead Industrial Development Agency shall be appointed;

NOW, THEREFORE, BE IT

RESOLVED, in compliance with the Public Authorities Accountability Act, the Board of the Town of Hempstead Industrial Development Agency hereby appoints Edie M. Longo, CFO as the Contracting /Compliance Officer for the Town of Hempstead Industrial Development Agency.

Adopted: 3/24/22

Ayes:

Nays:

Resolution Number: 019-2021

Chairman: _____

RESOLUTION

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

ADOPTION OF 2021 ANNUAL FINANCIAL REPORT

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Industrial Development Agency shall prepare and make available for public inspection and filing its 2021 Audited Financial Report and;

WHEREAS, the proposed 2021 Town of Hempstead Industrial Development Agency Annual Financial Report is to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 31, 2022 and;

WHEREAS, the Agency, at its regular meeting on March 24, 2022, has considered and adopted its 2021 Annual Financial Report in its proposed form; to be filed no later than March 31, 2022,

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts the 2020 Annual Financial report and will file it with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 24, 2022

(ayes)

(nays)

Resolution Number: 020 -2020

Chairman: _____

RESOLUTION
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
ADOPTION OF 2021 AUDITED FINANCIAL
STATEMENTS

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Industrial Development Agency shall prepare and make available for public inspection and filing its 2021 Audited Financial Statements and;

WHEREAS, the proposed 2021 Town of Hempstead Industrial Development Agency Audited Financial Statements are to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 31 ,2022 and;

WHEREAS, the Agency, at its regular meeting on March 24, 2022, has considered and adopted its 2021 Audited Financial Statements in their proposed form;

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts the 2021 Audited Financial Statements and will file them with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 24, 2022

(ayes)

(nays)

Resolution Number: 021 - 2022

Chairman: _____

**Town of Hempstead
Industrial Development Agency**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Contributions and Schedule of the Changes in the Agency's Total OPEB Liability and Related Ratios on pages 5 through 11 and 43 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant

To the Board of Directors
Town of Hempstead Industrial Development Agency
Page 4

agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 15, 2022

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Town of Hempstead Industrial Development Agency's (the Agency), a component unit of the Town of Hempstead, New York, financial performance provides an overview of the Agency's financial activities for the fiscal years ended December 31, 2021 and December 31, 2020. Please read this in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights - 2021:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$3,236,809.
- The Agency's total assets decreased by \$10,032,217 in the year 2021. Total deferred outflows of resources increased by \$287,217. The Agency's total liabilities decreased by \$10,912,353 in the year 2021. Total deferred inflows of resources increased by \$395,194.
- As of the close of the current year, the Agency reported net position of \$3,236,809, an increase of \$772,159 from the December 31, 2020 net position.

Financial Highlights - 2020:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$2,464,650.
- The Agency's total assets increased by \$6,652,880 in the year 2020. Total deferred outflows of resources increased by \$378,800. The Agency's total liabilities increased by \$6,898,843 in the year 2020. Total deferred inflows of resources decreased by \$19,791.
- As of the close of 2020, the Agency reported net position of \$2,464,650, an increase of \$152,628 from the December 31, 2019 net position.

Basic Financial Statements:

- The financial statements presented herein include all of the activities of the Agency.

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements (continued):

- The financial statements present the financial picture of the Agency. The Agency applies full accrual accounting methods as used by similar business activities in the private sector. These statements include all assets and deferred outflows of resources of the Agency as well as liabilities and deferred inflows of resources, offering both short-term and long-term financial information.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found immediately following the financial statements.
- The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position report information about the Agency as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Agency using the accrual basis of accounting. All of the current year's revenues and expenses are then taken into account regardless of when cash is received or paid.

The following statements report the Agency's net position and changes in net position. The net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, which is one way to measure the Agency's financial health or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating.

Condensed Comparative Financial Statements - 2021:

Condensed Statements of Net Position at December 31,

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|--------------------------------|------------------|-------------------|--------------------------|------------------------------|
| Current assets | \$5,559,000 | \$15,585,599 | \$(10,026,599) | (64.33)% |
| Property and equipment, net | <u>13,082</u> | <u>18,700</u> | <u>(5,618)</u> | (30.04) |
| Total assets | <u>5,572,082</u> | <u>15,604,299</u> | <u>(10,032,217)</u> | (64.29) |
| Deferred outflows of resources | <u>809,811</u> | <u>522,594</u> | <u>287,217</u> | 54.96 |
| Current liabilities | 1,195,402 | 12,160,269 | (10,964,867) | (90.17) |
| Long-term liabilities | <u>1,543,907</u> | <u>1,491,393</u> | <u>52,514</u> | 3.52 |
| Total liabilities | <u>2,739,309</u> | <u>13,651,662</u> | <u>(10,912,353)</u> | (79.93) |

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Comparative Financial Statements - 2021 (continued):

Condensed Statements of Net Position at December 31, (continued)

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|----------------------------------|--------------------|--------------------|--------------------------|------------------------------|
| Deferred inflows of resources | <u>405,775</u> | <u>10,581</u> | <u>395,194</u> | 3,734.94% |
| Net position: | | | | |
| Net investment in capital assets | 13,082 | 18,700 | (5,618) | (30.04) |
| Unrestricted | <u>3,223,727</u> | <u>2,445,950</u> | <u>777,777</u> | 31.80 |
| Total net position | <u>\$3,236,809</u> | <u>\$2,464,650</u> | <u>\$772,159</u> | 31.33 |

Condensed Statements of Revenues, Expenses and Changes in Net Position for the Years Ended December 31,

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|--------------------------|-------------------|-------------------|--------------------------|------------------------------|
| Total operating revenues | \$ 1,603,192 | \$ 973,595 | \$ 629,597 | 64.67% |
| Total operating expenses | <u>852,677</u> | <u>861,465</u> | <u>(8,788)</u> | (1.02) |
| Operating income | 750,515 | 112,130 | 638,385 | 569.33 |
| Non-operating income | <u>21,644</u> | <u>40,498</u> | <u>(18,854)</u> | (46.56) |
| Change in net position | <u>\$ 772,159</u> | <u>\$ 152,628</u> | <u>\$ 619,531</u> | 405.91 |

Analysis of Net Position and Results of Operations - 2021:

- Total assets decreased by \$10,032,217. This is a result of a decrease in cash and cash equivalents of \$10,061,284 from the prior year and an increase in fees and other receivables of \$34,685 from the prior year. The decrease in cash and cash equivalents is primarily a result of receipt of fewer payments in lieu of taxes (PILOT) funds being received near year-end which were not remitted until after December 31, 2021. The Agency reports a liability of \$1,194,055 related to these payments at December 31, 2021.
- The Agency's 2021 net position increased by \$772,159 from the 2020 net position.
- Deferred outflows of resources and deferred inflows of resources changed as a result of the recording of the Agency's share of the net pension liability related to the Agency's participation in the New York State and Local Employees' Retirement System as well as the liability for post-employment health insurance benefits, as actuarially determined.

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Position and Results of Operations - 2021 (continued):

- The Agency did not acquire any new property and equipment during 2021.
- The Agency received \$19,439 of reimbursement for shared expenses, including rent and supplies, from the Town of Hempstead Local Development Corporation.
- The Agency's post-employment health insurance benefits liability increased by \$289,132. The amount was determined based on an actuarial valuation.
- During 2021 interest income decreased from the prior year. In the prior year, one of the Agency's financial institutions ceased paying interest due to COVID and interest rates have been lower for the remaining accounts.

Budgetary Analysis - 2021:

- Fees for services were higher than the final budget by \$913,922. There were eleven project closings, including refinances, during the year, in addition to other fees collected for existing agreements. Note that there were eleven project closings in the prior year however the amount of funds closed in the current year per project averaged higher. Total expenses exceeded the final budget by \$79,601.

Condensed Comparative Financial Statements - 2020:

Condensed Statements of Net Position at December 31,

| | <u>2020</u> | <u>2019</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|--------------------------------|-------------------|------------------|--------------------------|------------------------------|
| Current assets | \$15,585,599 | \$8,926,293 | \$ 6,659,306 | 74.60% |
| Property and equipment, net | <u>18,700</u> | <u>25,126</u> | <u>(6,426)</u> | (25.58) |
| Total assets | <u>15,604,299</u> | <u>8,951,419</u> | <u>6,652,880</u> | 74.32 |
| Deferred outflows of resources | <u>522,594</u> | <u>143,794</u> | <u>378,800</u> | 263.43 |

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Comparative Financial Statements - 2020 (continued):

Condensed Statements of Net Position at December 31, (continued)

| | <u>2020</u> | <u>2019</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|----------------------------------|--------------------|--------------------|--------------------------|------------------------------|
| Current liabilities | \$ 12,160,269 | \$ 5,830,396 | \$ 6,329,873 | 108.57% |
| Long-term liabilities | <u>1,491,393</u> | <u>922,423</u> | <u>568,970</u> | 61.68 |
| Total liabilities | <u>13,651,662</u> | <u>6,752,819</u> | <u>6,898,843</u> | 102.16 |
| Deferred inflows of resources | <u>10,581</u> | <u>30,372</u> | <u>(19,791)</u> | (65.16) |
| Net position: | | | | |
| Net investment in capital assets | 18,700 | 25,126 | (6,426) | (25.58) |
| Unrestricted | <u>2,445,950</u> | <u>2,286,896</u> | <u>159,054</u> | 6.96 |
| Total net position | <u>\$2,464,650</u> | <u>\$2,312,022</u> | <u>\$ 152,628</u> | 6.60 |

Condensed Statements of Revenues, Expenses and Changes in Net Position for the Years Ended December 31,

| | <u>2020</u> | <u>2019</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|--------------------------|-------------------|-------------------|--------------------------|------------------------------|
| Total operating revenues | \$ 973,595 | \$ 876,572 | \$ 97,023 | 11.07% |
| Total operating expenses | <u>861,465</u> | <u>811,133</u> | <u>50,332</u> | 6.21 |
| Operating income | 112,130 | 65,439 | 46,691 | 71.35 |
| Non-operating income | <u>40,498</u> | <u>50,188</u> | <u>(9,690)</u> | (19.31) |
| Change in net position | <u>\$ 152,628</u> | <u>\$ 115,627</u> | <u>\$ 37,001</u> | 32.00 |

Analysis of Net Position and Results of Operations - 2020:

- Total assets increased by \$6,652,880. This is a result of an increase in cash and cash equivalents of \$6,666,577 from 2019 and a decrease in fees and other receivables of \$7,271 from 2019. The increase in cash and cash equivalents is primarily a result of receipt of payments in lieu of taxes (PILOT) funds near year-end which were not remitted until after December 31, 2020. The Agency reports a liability of \$12,151,994 related to these payments at December 31, 2020.
- The Agency's 2020 net position increased by \$152,628 from the 2019 net position.

Town of Hempstead Industrial Development Agency

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Position and Results of Operations - 2020 (continued):

- Deferred outflows of resources and deferred inflows of resources changed as a result of the recording of the Agency's share of the net pension liability related to the Agency's participation in the New York State and Local Employees' Retirement System as well as the liability for post-employment health insurance benefits, as actuarially determined.
- The Agency did not acquire any new property and equipment during 2020.
- The Agency received \$18,285 of reimbursement for shared expenses, including rent and supplies, from the Town of Hempstead Local Development Corporation.
- The Agency's post-employment health insurance benefits liability increased by \$375,292. In 2019, the Agency utilized the alternative measurement method (AMM) to calculate its post-employment health insurance benefits liability, which is similar to an actuarial valuation but with simplifications for several assumptions. The 2020 post-employment health insurance benefits liability was calculated using a full actuarial valuation.
- During 2020 office and related expenses were higher than 2019 as a result of increased worker's compensation insurance.
- During 2020 meetings and travel expense increased due to the use of transcription services to document the Agency's virtual Board of Director meetings held, as a result of the coronavirus pandemic.

Budgetary Analysis - 2020:

- Fees for services were higher than the final budget by \$265,695. There were eleven project closings during the year, in addition to other fees collected for existing agreements, compared to seven project closings in prior year. Total expenses exceeded the final budget by \$143,565.

Economic Factors and Next Year's Budget:

The Agency has budgeted revenues of \$831,850 and expenses of \$831,850 in the 2022 budget, an increase of \$137,580 in estimated revenues and \$58,774 in estimated expenses from the final 2021 budget.

**Town of Hempstead
Industrial Development Agency**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the Agency's Financial Management:

This financial report is designed to provide readers with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Hempstead Industrial Development Agency at 350 Front Street, Hempstead, New York 11550 or at (516) 812-3134.

BASIC FINANCIAL STATEMENTS

**Town of Hempstead
Industrial Development Agency**

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

ASSETS

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|--------------------|--------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 5,510,827 | \$ 15,572,111 |
| Fees receivable | 38,074 | 4,500 |
| Other receivable | <u>10,099</u> | <u>8,988</u> |
| Total current assets | <u>5,559,000</u> | <u>15,585,599</u> |
| Property and equipment: | | |
| Furniture and equipment | 144,924 | 144,924 |
| Less accumulated depreciation | <u>131,842</u> | <u>126,224</u> |
| Property and equipment, net | <u>13,082</u> | <u>18,700</u> |
| Total assets | <u>5,572,082</u> | <u>15,604,299</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | | |
|---|------------------|-------------------|
| Deferred outflows - pension | 311,820 | 229,670 |
| Deferred outflows - OPEB | <u>497,991</u> | <u>292,924</u> |
| Total deferred outflows of resources | <u>809,811</u> | <u>522,594</u> |
| Total assets and deferred outflows of resources | <u>6,381,893</u> | <u>16,126,893</u> |

See notes to financial statements

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ACCOUNTANTS & ADVISORS

**Town of Hempstead
Industrial Development Agency**

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

LIABILITIES

| | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------|
| Current liabilities: | | |
| Accounts payable and accrued expenses | 1,347 | 8,275 |
| Due to local other governments (PILOT) | 1,194,055 | 12,151,994 |
| Total current liabilities | <u>1,195,402</u> | <u>12,160,269</u> |
| Long-term liabilities: | | |
| Compensated absences | 92,079 | 74,460 |
| Post-employment health insurance benefits | 1,450,586 | 1,161,454 |
| Net pension liability - proportionate share | 1,242 | 255,479 |
| Total long-term liabilities | <u>1,543,907</u> | <u>1,491,393</u> |
| Total liabilities | <u>2,739,309</u> | <u>13,651,662</u> |

DEFERRED INFLOWS OF RESOURCES

| | | |
|---|------------------|-------------------|
| Deferred inflows - pension | 372,800 | 10,581 |
| Deferred inflows - OPEB | 32,975 | - |
| Total deferred inflows of resources | <u>405,775</u> | <u>10,581</u> |
| Total liabilities and deferred inflows of resources | <u>3,145,084</u> | <u>13,662,243</u> |

NET POSITION

| | | |
|----------------------------------|---------------------|---------------------|
| Net investment in capital assets | 13,082 | 18,700 |
| Unrestricted | 3,223,727 | 2,445,950 |
| Total net position | <u>\$ 3,236,809</u> | <u>\$ 2,464,650</u> |

See notes to financial statements

Town of Hempstead Industrial Development Agency

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| Operating revenues: | | |
| Fees for services | \$ 1,603,192 | \$ 973,595 |
| Total operating revenues | <u>1,603,192</u> | <u>973,595</u> |
| Operating expenses: | | |
| Salaries | 405,416 | 395,205 |
| Payroll taxes | 31,932 | 30,155 |
| Pension expense | 66,665 | 130,950 |
| Compensated absences | 17,619 | 8,947 |
| Health insurance | 89,231 | 88,761 |
| Post-employment health insurance benefits | 118,922 | 82,800 |
| Contractual and professional fees | 57,700 | 60,125 |
| Advertising | 5,000 | 5,000 |
| Rent | 15,000 | 15,000 |
| Office and related expenses | 30,383 | 29,143 |
| Meetings and travel | 5,754 | 5,034 |
| Dues and subscriptions | 3,437 | 3,919 |
| Depreciation | 5,618 | 6,426 |
| Total operating expenses | <u>852,677</u> | <u>861,465</u> |
| Operating income | <u>750,515</u> | <u>112,130</u> |
| Non-operating income: | | |
| Interest income | <u>21,644</u> | <u>40,498</u> |
| Change in net position | 772,159 | 152,628 |
| Net position, January 1 | <u>2,464,650</u> | <u>2,312,022</u> |
| Net position, December 31 | <u>\$ 3,236,809</u> | <u>\$ 2,464,650</u> |

See notes to financial statements

**Town of Hempstead
Industrial Development Agency**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|----------------------|
| Cash flows from operating activities: | | |
| Cash received: | | |
| From providing services | \$ 1,569,618 | \$ 980,595 |
| Cash payments: | | |
| Contractual services | (166,146) | (167,173) |
| Personal services and employee benefits | <u>(528,461)</u> | <u>(514,553)</u> |
| Net cash provided by operating activities | <u>875,011</u> | <u>298,869</u> |
| Cash flows from non-capital financing activities: | | |
| Cash received from payments in lieu of taxes and penalties | 88,933,239 | 36,678,544 |
| Cash paid for payments in lieu of taxes and penalties | <u>(99,891,178)</u> | <u>(30,351,334)</u> |
| Net cash provided (used) by non-capital financing activities | <u>(10,957,939)</u> | <u>6,327,210</u> |
| Cash flows from investing activities: | | |
| Interest income | <u>21,644</u> | <u>40,498</u> |
| Net cash provided by investing activities | <u>21,644</u> | <u>40,498</u> |
| Net increase (decrease) in cash and cash equivalents | (10,061,284) | 6,666,577 |
| Cash and cash equivalents, January 1 | <u>15,572,111</u> | <u>8,905,534</u> |
| Cash and cash equivalents, December 31 | <u>\$ 5,510,827</u> | <u>\$ 15,572,111</u> |

See notes to financial statements

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Town of Hempstead Industrial Development Agency

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 750,515 | \$ 112,130 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 5,618 | 6,426 |
| Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources: | | |
| (Increase) decrease in assets: | | |
| Fees receivable | (33,574) | 7,000 |
| Other receivable | (1,111) | 271 |
| (Increase) in deferred outflows of resources | (287,217) | (378,800) |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | (6,928) | 2,663 |
| Compensated absences | 17,619 | 8,947 |
| Post-employment health insurance benefits | 289,132 | 375,292 |
| Net pension liability - proportionate share | (254,237) | 184,731 |
| Increase (decrease) in deferred inflows of resources | 395,194 | (19,791) |
| Total adjustments | 124,496 | 186,739 |
| Net cash provided by operating activities | \$ 875,011 | \$ 298,869 |

See notes to financial statements

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies:**

Financial reporting entity: The Town of Hempstead Industrial Development Agency (the Agency) was created in 1971 by the Town Board of the Town of Hempstead, under the provisions of the Laws of New York State. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 529 of the Laws of 1971 of the State of New York to undertake projects and to lease or sell properties. The purpose of the Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and to enhance the number of jobs in the Town of Hempstead.

The Agency is governed by a seven-member Board of Directors whose members are appointed by the Town of Hempstead Town Board and is considered a New York State public benefit corporation. The Agency is a component unit of the Town of Hempstead. At December 31, 2021, five of the seven positions were filled and two Board of Director positions were vacant.

All governmental activities and functions performed by the Agency are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity includes functions and activities over which appointed Agency directors exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designations of management and ability to significantly influence operations and accountability for fiscal matters.

Basis of accounting: The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The Agency utilizes the accrual basis of accounting and the flow of all economic resources measurement focus. The basis of accounting and measurement focus emphasize the measurement of operating income (loss) similar to the approach used by commercial enterprises. Revenues are recorded when earned and expenses are recorded when incurred.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies (continued):**

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred outflows/inflows of resources: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resource is a consumption of net assets that applies to future period(s) and as such, will not be recognized as an outflow of resources (expense) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future periods and, as such, will not be recognized as an inflow of resources (revenue) until that time.

Cash and cash equivalents: For purposes of the Statements of Cash Flows, investments with maturities of three months or less, when purchased, are considered cash equivalents.

Receivables: Fees receivable represent amounts earned by the Agency but not yet collected at year-end. Doubtful accounts are written off as they are deemed by management to be uncollectible. Other receivables represent amounts owed to the Agency from a related party. All receivables, as stated in the financial statements, are deemed by the Agency's management to be fully collectible and accordingly, no allowance for doubtful accounts has been recorded at December 31, 2021 and 2020.

Property and equipment: Property and equipment is stated at cost and is being depreciated using the straight-line method over the useful lives of the assets, which are 5 and 15 years.

Due to local other governments (PILOT): Effective October 1, 2018 the Agency began billing and collecting payments in lieu of taxes (PILOT) from the project properties. Payments collected are not considered revenues to the Agency and are disbursed to the appropriate taxing jurisdictions. Due to local other governments (PILOT) consists of PILOT received that have been collected but not yet disbursed to the taxing jurisdictions. At December 31, 2021 and 2020 the balance due to local other governments (PILOT) was \$1,194,055 and \$12,151,994, respectively.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies (continued):**

Compensated absences: Agency employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Budgetary data: The Agency adopts an annual budget to facilitate budgetary control and operational evaluations.

Net position classifications: Net position is classified and displayed in three components:

- a. **Net investment in capital assets:** Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted net position:** Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. At December 31, 2021 and 2020, the Agency has no balance in this classification.
- c. **Unrestricted net position:** All other balances in net position that do not meet the definition of "restricted" or "net investment in capital assets."

Given the possibility of a lengthy period elapsing before project fees are realized, during 2021 the Agency developed a policy aimed at maintaining net position within minimum and maximum targets.

Revenue recognition: The Agency's primary sources of operating revenue are from application fees, administrative fees and compliance fees. Administrative fees are computed as a percentage of the total project. Fees are recorded as income when earned at the time of project closing.

Advertising: Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2021 and 2020 were \$5,000 and \$5,000, respectively.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies (continued):**

Recent accounting pronouncements: The Agency has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

Subsequent events: Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

2. **Conduit debt obligations, Industrial Revenue Bond transactions:**

The Agency issues Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, recreational and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, the State, nor any political sub-division thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2021 and 2020, outstanding debt induced by the Agency and issued by other entities amounted to \$59,605,000 and \$60,940,000, respectively. Debt service is paid directly to the lender by the entity that incurred the supplemental debt. The Agency has no liability or contingent liability for payment.

3. **Payments in lieu of taxes (PILOT) and funds due to municipalities:**

Effective October 1, 2018, the Agency began directly receiving PILOT from the borrowing companies. These receipts are deposited into a separate Agency bank account and subsequently disbursed to the appropriate taxing jurisdictions. PILOT payments are not considered revenue by the Agency.

4. **Cash and cash equivalents:**

The statutes of the State of New York govern the Agency's investment policies. Agency monies must be deposited in bank and trust companies authorized for the deposit of monies by the Town of Hempstead. The Agency's Board of Director's responsibility for administration of the investment program is delegated to the Chief Executive Officer pursuant to resolution.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

4. Cash and cash equivalents (continued):

The Chief Executive Officer is authorized to invest monies not required for immediate expenditure. Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America and obligations of New York State. All deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be secured by a pledge of eligible securities which may include irrevocable letters of credit or surety bonds as well as those securities as authorized pursuant to the General Municipal Law with an aggregate market value or provided by General Municipal Law. Eligible securities used for collateralizing deposits are to be held by the bank or trust company pursuant to security and custodial agreements.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- Uncollateralized;
- Collateralized with securities held by the pledging financial institution in the Agency's name; or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Agency's name.

At December 31, 2021, the Agency's bank balances totaled \$7,951,093. This amount is exclusive of petty cash of \$64. Of the bank balances, \$500,000 was covered by federal deposit insurance and \$7,451,093 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Agency's name.

At December 31, 2020, the Agency's bank balances totaled \$15,580,474. This amount is exclusive of petty cash of \$64. Of the bank balances, \$500,000 was covered by federal deposit insurance and \$15,080,474 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Agency's name.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

5. Property and equipment:

Activity for property and equipment for the year ended December 31, 2021 is summarized as follows:

| | Balance December 31, 2020 | Additions | Deletions | Balance December 31, 2021 |
|-------------------------------|--|------------------|------------------|--|
| Equipment | \$ 19,807 | \$ - | \$ - | \$ 19,807 |
| Furniture and fixtures | 26,703 | - | - | 26,703 |
| Leasehold improvements | <u>98,414</u> | <u>-</u> | <u>-</u> | <u>98,414</u> |
| | 144,924 | - | - | 144,924 |
| Less accumulated depreciation | <u>(126,224)</u> | <u>(5,618)</u> | <u>-</u> | <u>(131,842)</u> |
| Property and equipment, net | <u>\$ 18,700</u> | <u>\$(5,618)</u> | <u>\$ -</u> | <u>\$ 13,082</u> |

Activity for property and equipment for the year ended December 31, 2020 is summarized as follows:

| | Balance December 31, 2019 | Additions | Deletions | Balance December 31, 2020 |
|-------------------------------|--|------------------|------------------|--|
| Equipment | \$ 19,807 | \$ - | \$ - | \$ 19,807 |
| Furniture and fixtures | 26,703 | - | - | 26,703 |
| Leasehold improvements | <u>98,414</u> | <u>-</u> | <u>-</u> | <u>98,414</u> |
| | 144,924 | - | - | 144,924 |
| Less accumulated depreciation | <u>(119,798)</u> | <u>(6,426)</u> | <u>-</u> | <u>(126,224)</u> |
| Property and equipment, net | <u>\$ 25,126</u> | <u>\$(6,426)</u> | <u>\$ -</u> | <u>\$ 18,700</u> |

Depreciation expense was \$5,618 and \$6,426 for the years ending December 31, 2021 and 2020.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan:

Plan description: The Agency participates in the New York State and Local Employees' Retirement System (ERS) which is part of the New York State and Local Retirement System (the System). This is a cost-sharing, multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits provided: The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55 and the full benefit age for Tier 2 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the NYSRSSL, Tier 1 and

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Benefits provided (continued):

Tiers 1 and 2 (continued)

Benefit calculation (continued):

Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tiers 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Benefits provided (continued):

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tiers 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Benefits provided (continued):

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1% or exceed 3%.

Contributions: The System is non-contributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary for the first 10 years of membership and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions made during the current year and two preceding years were equal to 100% of the contributions required and were as follows:

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Contributions (continued):

| <u>Year Ended December 31:</u> | <u>Amount</u> |
|---------------------------------------|----------------------|
| 2021 | \$ 40,833 |
| 2020 | 51,886 |
| 2019 | 91,699 |

The Agency's 2022 invoice to the System for \$49,142 is due February 1, 2022 and was paid subsequent to year-end. In accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, those contributions are not recognized as pension expense in the accompanying financial statements and will be reflected as a reduction of the Agency's proportionate share of the net pension liability in 2022.

Chapter 57 of the Laws of 2013 of the State of New York, Part BB, amending several sections of the Retirement and Social Security Law, was enacted that allows local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortizations, incentive costs and prior year adjustments) and the graded contribution.
- For subsequent State Fiscal Years (SFYs), the graded rate will increase or decrease by up to one-half of 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually and will be comparable to a 12-year U.S. Treasury Bond plus 1%.
- For subsequent SFYs in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: At December 31, 2021 and 2020, the Agency reported a liability of \$1,242 and \$255,479, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2021 and 2020, the Agency's proportion was .0012497% and .0009648% respectively.

For the year ended December 31, 2021, the Agency recognized pension expense of \$66,665. At December 31, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 15,197 | \$ - |
| Changes of assumptions | 228,801 | 4,315 |
| Net difference between projected and actual earnings on pension plan investments | - | 357,458 |
| Changes in proportion and differences between Agency contributions and proportionate share of contributions | <u>67,822</u> | <u>11,027</u> |
| Total | <u>\$ 311,820</u> | <u>\$ 372,800</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued):

| <u>Year Ended March 31:</u> | <u>Amount</u> |
|------------------------------------|----------------------|
| 2022 | \$ 7,503 |
| 2023 | 8,883 |
| 2024 | (12,817) |
| 2025 | (64,550) |

For the year ended December 31, 2020, the Agency recognized pension expense of \$130,950. At December 31, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 15,036 | \$ - |
| Changes of assumptions | 5,144 | 4,442 |
| Net difference between projected and actual earnings on pension plan investments | 130,971 | - |
| Changes in proportion and differences between Agency contributions and proportionate share of contributions | <u>78,519</u> | <u>6,139</u> |
| Total | <u>\$ 229,670</u> | <u>\$ 10,581</u> |

Actuarial assumptions: The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions:

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Actuarial assumptions (continued):

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Inflation | 2.7% | 2.5% |
| Salary increases | 4.4% | 4.2% |
| Investment rate of return (net of investment expense, including inflation) | 5.9% | 6.8% |
| Cost of living adjustments | 1.4% | 1.3% |

Annuitant mortality rates for 2021 are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. Annuitant mortality rates for 2020 are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocations and best estimates of arithmetic real rates of return for each major asset class as of March 31, 2021 is summarized below:

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Actuarial assumptions (continued):

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Target Allocations</u> |
|-----------------------------|---|-------------------------------|
| Domestic equity | 4.05% | 32.00% |
| International equity | 6.30% | 15.00% |
| Private equity | 6.75% | 10.00% |
| Real estate | 4.95% | 9.00% |
| Opportunistic/ARS portfolio | 4.50% | 3.00% |
| Credit | 3.63% | 4.00% |
| Real assets | 5.95% | 3.00% |
| Fixed income | 0.00% | 23.00% |
| Cash | 0.50% | 1.00% |
| | | <u>100.00%</u> |

The target allocations and best estimates of arithmetic real rates of return for each major asset class as of March 31, 2020 is summarized below:

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Target Allocations</u> |
|--------------------------------|---|-------------------------------|
| Domestic equity | 4.05% | 36.00% |
| International equity | 6.15% | 14.00% |
| Private equity | 6.75% | 10.00% |
| Real estate | 4.95% | 10.00% |
| Absolute return strategies (1) | 3.25% | 2.00% |
| Opportunistic portfolio | 4.65% | 3.00% |
| Real assets | 5.95% | 3.00% |
| Bonds and mortgages | 0.75% | 17.00% |
| Cash | 0.00% | 1.00% |
| Inflation-indexed bonds | 0.50% | 4.00% |
| | | <u>100.00%</u> |

The real rate of return is net of the long-term inflation assumption of 2.0% and 2.5% as of March 31, 2021 and 2020, respectively.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Actuarial assumptions (continued):

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

Discount rate: The discount rate used to calculate the total pension liability in 2021 and 2020 was 5.9% and 6.8%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption: The following presents the Agency's proportionate share of the 2021 and 2020 net pension liability calculated using the discount rate of 5.9% and 6.8%, respectively, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | <u>2021</u> | | |
|--|--|-------------------------------------|--|
| | 1% Decrease <u>(4.9%)</u> | Assumption <u>(5.9%)</u> | 1% Increase <u>(6.9%)</u> |
| Agency's proportionate share of the net pension liability (asset) | \$345,391 | \$1,244 | \$(316,139) |
| | <u>2020</u> | | |
| | 1% Decrease <u>(5.8%)</u> | Assumption <u>(6.8%)</u> | 1% Increase <u>(7.8%)</u> |
| Agency's proportionate share of the net pension liability | \$468,876 | \$255,479 | \$58,939 |

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued):

Pension plan fiduciary net position: The components of the net pension liability of the employers as of March 31, 2021 and 2020, were as follows:

| | (Dollars in Thousands) | |
|--|-------------------------------------|----------------------|
| | <u>Employees' Retirement System</u> | |
| | <u>2021</u> | <u>2020</u> |
| Employers' total pension liability | \$ 220,680,157 | \$ 194,596,261 |
| Plan net position | <u>(220,580,583)</u> | <u>(168,115,682)</u> |
| Employers' net pension liability | <u>\$ 99,574</u> | <u>\$ 26,480,579</u> |
| Ratio of plan net position to the employers' total pension liability | 99.9% | 86.4% |

7. Liability for compensated absences:

The Agency, in conformity with the Town of Hempstead collective bargaining agreement, maintains a policy which permits employees to accumulate a limited amount of earned but unused vacation leave and sick time, which will be used in future years or paid upon separation from the Agency's service. Upon termination, an employee hired before January 1, 2013 will be paid for a maximum of 800 hours of vacation time. An employee hired after January 1, 2013 will be paid for a maximum of 400 hours of vacation time, upon termination.

Sick time will be paid in accordance with a schedule based upon years of completed service, up to 1,600 hours if hired before January 1, 2013. If hired after this date, the maximum paid sick time will be up to 800 hours. The cost of accumulated vacation and sick leave, as well as an amount for salary related payments (i.e. Social Security and Medicare taxes), is recorded as a liability and expense when accrued.

The liability for compensated absences as of December 31, 2021 and 2020 is as follows:

| | <u>2021</u> | <u>2020</u> |
|----------------------|------------------|------------------|
| Balance, January 1 | \$ 74,460 | \$ 65,513 |
| Additions | <u>17,619</u> | <u>8,947</u> |
| Balance, December 31 | <u>\$ 92,079</u> | <u>\$ 74,460</u> |

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

7. Liability for compensated absences (continued):

Additions and deletions to compensated absences are shown net, since it is impractical to determine these amounts separately.

8. Expenses and fees for bonds and straight leases:

All expenses incurred by the Agency for notices, court recorders, meeting rooms, underwriting, trustees, legal, issuance of bonds and notes and straight leases are for the account of and reimbursed by the applicant.

The Agency's minimum fees are as follows:

1. **Application fee:** The Agency charges a non-refundable fee of \$3,000 at the time of receiving a formal application for assistance, plus a \$500 expense deposit for Cost Benefit Analysis.
2. **Administrative fee:** The Agency charges one-time administrative fees as follows:

| | <u>Percentage of Value</u> |
|--|-----------------------------------|
| Tax exempt bonds, taxable bonds and straight lease fee: | |
| Up to \$25,000,000 | 0.6% |
| \$25,000,000 and over | 0.1% |

A transaction less than \$1,500,000 in total (all project costs) may be considered for a special straight-lease which would have an agency fee of \$7,000 or less.

For taxable bonds and straight-lease transactions, the minimum fee is based on the amount of bonds, the amount of the total project costs or the amount of the increased value of the assets under a straight-lease plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant receives benefits from the Agency.

In addition to the late fees assessed for late PILOT payments that are payable to the taxing jurisdictions, the Agency will charge an additional 1.5% administrative late fee per month on the total amount due.

3. **Bond Counsel fee:** The applicant pays the Bond Counsel fee.

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

8. Expenses and fees for bonds and straight leases (continued):

4. **Annual compliance fees:** The Agency charges an initial compliance fee of \$3,000 and an annual compliance fee of \$1,500 for the term of bonds or straight-lease. This non-refundable annual fee is paid in advance on the first day of each year. The fee covers the cost of annual reporting and monitoring of the transaction. The fee is subject to periodic review and can be adjusted at the discretion of the Agency.
5. **Agency Counsel's fee:** The fee for the Agency Counsel is approximately 0.1% of the amount of the bonds, the amount of the total project costs or the amount of the increased value of the assets under a straight lease plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant will receive benefits from the Agency. The applicant pays the Agency Counsel's fee. The fee structure may be adjusted for a special straight-lease only. For terminations, consents, second mortgages and other financings, The Agency Counsel shall bill at the prevailing hourly rate.

6. Miscellaneous fees:

| | <u>Minimum Amount</u> |
|--|--------------------------------------|
| Extension of inducement | \$500 |
| Document processing | \$1,000 - \$2,000 |
| *Amendments, waivers, subordinate and collateral mortgage assignments, leases and sub-leases, etc. | \$750 - \$1,500 |
| Termination fee | \$2,000 |
| Consent, 2nd mortgages and other financings | Set by Board on a case to case basis |
| Tenant Agency Compliance Agreements and Non-Disturbance Agreements | \$1,000 |
| Cost benefit analysis | \$500 per application |
| Basic cost benefit analysis | \$2,500 |
| Comprehensive cost benefit analysis | \$7,000 |
| Sales tax exemption extension | \$500 |

Percentage of value

- | | |
|----------------------------------|---|
| *Refinance bonds | 0.600% plus applicable administrative fee |
| *Assumption of outstanding bonds | 0.125% plus applicable administrative fee |

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

8. Expenses and fees for bonds and straight leases (continued):

6. Miscellaneous fees (continued):

* These fees are subject to adjustment at the discretion of the Agency, based on the complexity of the transaction involved.

The Agency recognizes its fees for services as operating revenues. Non-operating income results from activities not related to these transactions.

9. Post-employment health insurance benefit (OPEB) plan:

General information about the OPEB plan:

Plan description: During 2008, the Agency established a post-employment health insurance benefit plan (the Plan) for retired employees of the Agency. The plan is a single-employer defined benefit health insurance plan administered by the Agency. Financial activities of the plan are included in the financial statements of the Agency. The plan does not issue a separate financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided: All employees of the Agency are eligible. Health, dental and vision insurance are provided. Benefits are provided at the later of retirement and attainment of age 55. The Plan is secondary to Medicare for participants on attainment of age 65. Spouses are covered for health insurance for the lifetime of the participant.

Eligibility: For a retiree to be eligible, he/she should have a minimum of 10 years of service with any public employer in the State of New York and have a minimum of five full years of service in the Agency.

Employees Covered by benefit terms:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|--------------------|--------------------|
| Active employees fully eligible | 2 | 2 |
| Active employees not fully eligible | 2 | 1 |
| Retired participants | <u>1</u> | <u>1</u> |
| Total | <u>5</u> | <u>4</u> |

Town of Hempstead Industrial Development Agency

NOTES TO FINANCIAL STATEMENTS

9. **Post-employment health insurance benefit (OPEB) plan (continued):**

Contributions: The plan is non-contributory for employees and retirees. The funding requirements of the plan will be met by contributions from the Agency. At December 31, 2021 and 2020, the plan was unfunded. The Agency is informally setting aside funds with the intention that they be applied toward this future liability.

Total OPEB liability:

The Agency obtained full actuarial valuations to determine the OPEB liability as of December 31, 2021 and December 31, 2020.

Assumptions and other inputs: The total OPEB liability in the December 31, 2021 and 2020 valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------------|---|
| Discount rate | 2.5% |
| Projected salary increases | 3.0% |
| Mortality rates | Based on RP-2014 combined mortality tables for employees and healthy annuitants, projected generationally with scale MP-2020 and scale MP-2019 as of December 31, 2021 and 2020, respectively |
| Healthcare cost trend rates | 5.1% annually, grading down .067% each year until reaching an ultimate rate of 4.7% annually |
| Dental and vision cost trend rate | 3.0% annually |

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

9. Post-employment health insurance benefit (OPEB) plan (continued):

Assumptions and other inputs (continued):

The discount rate used to measure the total OPEB liability at December 31, 2021 and December 31, 2020 was 2.5%. The discount rate is based on the yields available on 20-year General Obligation AA Bonds.

Changes in the Total OPEB Liability:

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Balance at January 1 | \$ 1,161,454 | \$ 786,162 |
| Changes for the year: | | |
| Service cost | 39,491 | 21,231 |
| Interest cost | 30,000 | 32,276 |
| Changes in assumptions and other inputs | (36,273) | 296,471 |
| Benefit payments | (432) | (432) |
| Differences between expected and actual experience | <u>256,346</u> | <u>25,746</u> |
| | <u>289,132</u> | <u>375,292</u> |
| Balance at December 31 | <u>\$1,450,586</u> | <u>\$1,161,454</u> |

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Agency, as well as what the Agency's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate as of December 31:

| | 1% Decrease <u>(1.5%)</u> | Current Discount <u>Rate (2.5%)</u> | 1% Increase <u>(3.5%)</u> |
|-------------|--------------------------------------|--|--------------------------------------|
| 2021 | \$ 1,767,179 | \$ 1,450,586 | \$ 1,192,248 |
| 2020 | \$ 1,421,123 | \$ 1,161,454 | \$ 952,785 |

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

9. Post-employment health insurance benefit (OPEB) plan (continued):

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the Agency, as well as what the Agency's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the baseline trend, as of December 31:

| | <u>Trend Rate -1%</u> | <u>Healthcare Cost Rate</u> | <u>Trend Rate +1%</u> |
|-------------|-----------------------|---------------------------------|-----------------------|
| 2021 | \$ 1,135,960 | \$ 1,450,586 | \$ 1,875,363 |
| 2020 | \$ 911,358 | \$ 1,161,454 | \$ 1,500,756 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended December 31, 2021, the Agency recognized OPEB expense of \$118,922. In addition, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 255,424 | \$ - |
| Changes in assumptions and other inputs | <u>242,567</u> | <u>32,975</u> |
| Total | <u>\$ 497,991</u> | <u>\$ 32,975</u> |

The amounts reported as deferred outflows and deferred inflows of resources will be amortized over future periods and recognized in pension expense as follows:

Year Ended December 31,

| | |
|------------|------------------|
| 2022 | \$ 49,431 |
| 2023 | 49,431 |
| 2024 | 49,431 |
| 2025 | 49,431 |
| 2026 | 49,431 |
| Thereafter | <u>217,861</u> |
| | <u>\$465,016</u> |

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

9. **Post-employment health insurance benefit (OPEB) plan (continued):**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued):

For the year ended December 31, 2020, the Agency recognized OPEB expense of \$82,800. In addition, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 23,405 | \$ - |
| Changes of assumptions | <u>269,519</u> | <u>-</u> |
| Total | <u><u>\$ 292,924</u></u> | <u><u>\$ -</u></u> |

10. **Related party transactions:**

The Agency shares its office space with the Town of Hempstead Local Development Corporation (the Corporation), a related party. The Agency and the Corporation have the same Chief Executive Officer and Chief Financial Officer and common Board of Director members.

The Agency is a component unit of the Town of Hempstead, New York. The Agency leases its office space from the Town of Hempstead in the building located at 350 Front Street, Suite 240, Hempstead, New York. Annual rent paid is \$30,000. During the years ended December 31, 2021 and 2020, \$15,000 of rent payments were reimbursed each year by the Corporation. The Agency rent expense for the years ended December 31, 2021 and 2020 was \$15,000 and \$15,000, respectively. The Agency pays rent on a month-to-month basis.

The Agency and the Corporation have an agreement in which the Corporation reimburses the Agency for shared costs, including office space, supplies and telephone. These expenses have been reflected in the appropriate expense categories. Amounts paid to the Agency for the years ended December 31, 2021 and 2020, inclusive of rental payments, were \$19,439 and \$18,285, respectively. At December 31, 2021 and 2020, the Agency had a receivable of \$10,099 and \$8,988, respectively, for amounts owed from the Corporation which is reflected on the Statements of Net Position as other receivable.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

11. Abatements recapture:

The Agency is empowered by its enabling legislation to grant various benefits in connection with qualifying projects it agrees to help finance, including granting exemptions from the imposition of sales and use taxes on purchases of materials and equipment for use in connection with a project. However, it is the policy of the Agency to grant benefits with respect to a qualifying project only in return for a commitment from the business receiving the Agency benefits to operate and maintain the project consistent with the term of the lease agreement or the life of the bonds. Failure to do so may result in financial penalties being imposed on the business in the form of a required recapture of benefits payment. The Agency would remit any applicable sales and use taxes recaptured to New York State and retains the local portion of the recapture of benefits payments, including any real property tax and mortgage recording tax benefits recaptured pro-rata basis for distribution to the local taxing jurisdictions. During the years ended December 31, 2021 and 2020, the Agency imposed a recapture of \$-0-.

12. Litigation:

The Agency is subject to various actions or claims arising from the normal conduct of its affairs. The ultimate outcomes cannot be determined at this time. Management does not believe that any such litigation, individually or in the aggregate, is likely to have a material adverse effect on the Agency's financial condition.

13. Coronavirus pandemic:

In March 2020, an outbreak of a new strain of Coronavirus, COVID-19, emerged as a pandemic in New York State and across the United States, leading to widespread business shutdowns and significant volatility in the financial markets. The coronavirus outbreak is still evolving. The ultimate extent of the pandemic's impact on the Agency will depend on future developments which are highly uncertain. Currently, management is unable to quantify the potential effects of the pandemic on operations and financial performance of the Agency.

**Town of Hempstead
Industrial Development Agency**

NOTES TO FINANCIAL STATEMENTS

14. New pronouncements:

The following statements have been issued by the GASB and are to be implemented in futures years, as applicable:

GASB Statement No. 87, *Leases*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the objective of which is to improve financial reporting by improving accounting for leases by governments. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. The requirements of this Statement are effective for the Agency's 2022 year. The Agency is currently evaluating the impact of this pronouncement.

GASB Statement No. 91, *Conduit Debt Obligations*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the primary objectives of which are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. The requirements of this Statement are effective for the Agency's 2022 year. The Agency is currently evaluating the impact of this pronouncement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**Town of Hempstead
Industrial Development Agency**

**SCHEDULE OF THE AGENCY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

**New York State and Local Retirement System Pension Plan
Last Seven Fiscal Years***

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Agency's proportion of the net pension liability | 0.0012497% | 0.0009648% | 0.0009985% | 0.0010663% | 0.0010977% | 0.0012890% | 0.0013559% |
| Agency's proportionate share of the net pension liability \$ | 1,242 | \$ 255,479 | \$ 70,748 | \$ 34,412 | \$ 103,143 | \$ 206,882 | \$ 45,805 |
| Agency's covered payroll | 268,771 | 334,665 | 533,610 | 565,850 | 542,261 | 506,582 | 479,414 |
| Agency's proportionate share of the net pension liability as a percentage of its covered payroll | 0.5% | 76.3% | 13.3% | 6.1% | 19.0% | 40.8% | 9.6% |
| Plan fiduciary net position as a percentage of the total pension liability | 99.9% | 86.4% | 96.3% | 98.2% | 94.7% | 90.7% | 97.9% |

* The amounts presented for each fiscal year were determined as of the System's measurement date, March 31st.

**Town of Hempstead
Industrial Development Agency**

SCHEDULE OF THE AGENCY'S CONTRIBUTIONS

**New York State and Local Retirement System Pension Plan
Last Seven Fiscal Years***

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| Contractually required contribution | \$ 40,833 | \$ 51,886 | \$ 91,699 | \$ 104,804 | \$ 95,697 | \$ 112,269 | \$ 119,201 |
| Contributions in relation to the contractually required contribution | <u>(40,833)</u> | <u>(51,886)</u> | <u>(91,699)</u> | <u>(104,804)</u> | <u>(95,697)</u> | <u>(112,269)</u> | <u>(119,201)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Agency's covered payroll | \$ 268,771 | \$ 334,665 | \$ 533,610 | \$ 565,850 | \$ 542,261 | \$ 506,582 | \$ 479,414 |
| Contributions as a percentage of covered payroll | 15.19% | 15.50% | 17.18% | 18.52% | 17.65% | 22.16% | 24.86% |

* The amounts presented for each fiscal year were determined as of the fiscal year-end.

**Town of Hempstead
Industrial Development Agency**

**SCHEDULE OF THE CHANGES IN THE AGENCY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

Last Four Fiscal Years

| | <u>2021</u> | <u>2020</u> | <u>2019**</u> | <u>2018**</u> |
|---|----------------------|---------------------|--------------------|--------------------|
| Total OPEB Liability: | | | | |
| Service cost | \$ 39,491 | \$ 21,231 | \$ 36,091 | \$ 36,091 |
| Interest cost | 30,000 | 32,276 | 30,359 | 22,438 |
| Changes in assumptions and other inputs | (36,273) | 296,471 | - | - |
| Benefit payments | (432) | (432) | - | - |
| Differences between expected and actual experience | <u>256,346</u> | <u>25,746</u> | <u>(3,164)</u> | <u>-</u> |
| Net change in total OPEB liability | 289,132 | 375,292 | 63,286 | 58,529 |
| Total OPEB liability, beginning | <u>1,161,454</u> | <u>786,162</u> | <u>722,876</u> | <u>664,347</u> |
| Total OPEB liability, ending | <u>\$ 1,450,586</u> | <u>\$ 1,161,454</u> | <u>\$ 786,162</u> | <u>\$ 722,876</u> |
| Agency's covered payroll | 277,566 | 190,524 | 437,835 * | 437,835 |
| Total OPEB liability as a percentage of covered employee payroll | 522.61% | 609.61% | 179.56% | 165.10% |

* Information not available as valuation update procedures were performed for the year ended December 31, 2019.

** Alternative Measurement Method (AMM) without a full actuarial valuation.

**OTHER SUPPLEMENTARY
INFORMATION**

Town of Hempstead Industrial Development Agency

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2021

| | <u>Budgetary Amounts</u> | | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|--------------------------|--------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fees for services | \$ 762,350 | \$ 689,270 | \$ 1,603,192 | \$ 913,922 |
| Interest income | 5,000 | 5,000 | 21,644 | 16,644 |
| Total revenues | <u>767,350</u> | <u>694,270</u> | <u>1,624,836</u> | <u>930,566</u> |
| Expenses: | | | | |
| Salaries | 401,300 | 401,300 | 405,416 | (4,116) |
| Payroll taxes | 40,000 | 40,000 | 31,932 | 8,068 |
| Pension expense | 85,000 | 85,000 | 66,665 | 18,335 |
| Compensated absences | - | - | 17,619 | (17,619) |
| Health insurance | 96,000 | 96,000 | 89,231 | 6,769 |
| Post-employment health benefits | - | - | 118,922 | (118,922) |
| Contractual and professional fees | 62,000 | 58,301 | 57,700 | 601 |
| Advertising | 6,000 | 6,000 | 5,000 | 1,000 |
| Rent | 30,000 | 30,000 | 15,000 | 15,000 |
| Office and related expenses | 27,600 | 36,481 | 30,383 | 6,098 |
| Meetings and travel | 9,750 | 10,294 | 5,754 | 4,540 |
| Dues and subscriptions | 4,000 | 4,000 | 3,437 | 563 |
| Depreciation | <u>5,700</u> | <u>5,700</u> | <u>5,618</u> | <u>82</u> |
| Total expenses | <u>767,350</u> | <u>773,076</u> | <u>852,677</u> | <u>(79,601)</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>\$ -</u> | <u>\$ (78,806)</u> | (A) <u>\$ 772,159</u> | <u>\$ 850,965</u> |

(A): During the year the Agency's final budget reflected utilization of \$78,806 of prior year unrestricted net position.

**Town of Hempstead
Industrial Development Agency**

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2020

| | <u>Budgetary Amounts</u> | | Actual Amounts (Budgetary Basis) | Variance With Final Budget Positive (Negative) |
|--|---------------------------------|---------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fees for services | \$ 707,900 | \$ 707,900 | \$ 973,595 | \$ 265,695 |
| Interest income | <u>10,000</u> | <u>10,000</u> | <u>40,498</u> | <u>30,498</u> |
| Total revenues | <u>717,900</u> | <u>717,900</u> | <u>1,014,093</u> | <u>296,193</u> |
| Expenses: | | | | |
| Salaries | 351,000 | 351,000 | 395,205 | (44,205) |
| Payroll taxes | 39,000 | 39,000 | 30,155 | 8,845 |
| Pension expense | 90,000 | 81,780 | 130,950 | (49,170) |
| Compensated absences | - | - | 8,947 | (8,947) |
| Health insurance | 93,000 | 93,000 | 88,761 | 4,239 |
| Post-employment health benefits | - | - | 82,800 | (82,800) |
| Contractual and professional fees | 61,500 | 61,500 | 60,125 | 1,375 |
| Advertising | 6,000 | 6,000 | 5,000 | 1,000 |
| Rent | 30,000 | 30,000 | 15,000 | 15,000 |
| Office and related expenses | 28,300 | 35,729 | 29,143 | 6,586 |
| Meetings and travel | 7,500 | 7,872 | 5,034 | 2,838 |
| Dues and subscriptions | 3,500 | 3,919 | 3,919 | - |
| Depreciation | <u>8,100</u> | <u>8,100</u> | <u>6,426</u> | <u>1,674</u> |
| Total expenses | <u>717,900</u> | <u>717,900</u> | <u>861,465</u> | <u>(143,565)</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 152,628</u> | <u>\$ 152,628</u> |

**INDEPENDENT AUDITOR'S 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
Town of Hempstead Industrial Development Agency
Hempstead, New York

We have audited, in accordance with the 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, the financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 15, 2022

**Town of Hempstead
Industrial Development Agency**

Report on Investment Guidelines

December 31, 2021



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Brightwaters, NY 11718
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

We have audited, 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, the financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of December 31, 2021 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 15, 2022, which expresses an unmodified opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the Agency's Investment Policy, the New York State Office of the State Comptroller's Investment Guidelines, Section 2925 of the New York State Public Authorities Law or Section 201.3 of the New York State Public Authorities Law (collectively, the Investment Guidelines), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the Investment Guidelines, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the members of the Board of Directors, management of the Agency 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.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 15, 2022

**Town of Hempstead
Industrial Development Agency**

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

December 31, 2021

March 15, 2022

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

We have audited the financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 8, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statement was:

The Agency's estimate of the other post-employment benefit plan (OPEB) is based on a third-party actuarial valuation. The valuation was prepared in accordance Governmental Accounting Standards Board (GASB) Statement 75,

To the Board of Directors
Town of Hempstead Industrial Development Agency
March 15, 2022
Page 2

Accounting and Financial Reporting for Post-employment Benefit Plans Other Than Pensions. We evaluated the key factors and assumptions used to develop the OPEB estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The estimate of the Agency's proportionate share of the net pension liability for the New York State and Local Employees' Retirement System is based on an actuarial valuation as of March 31, 2021. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. We proposed several adjustments as a result of audit procedures, which have been submitted to management for review and approval. The attached journal entries were recorded by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 15, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Contributions and Schedule of the Changes in the Agency's Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule, which accompanies the financial statements but is not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In connection with our audit, nothing came to our attention that causes us to believe the Agency failed to comply with its Investment Policy, the New York State Office of the State Comptroller's Investment Guidelines, Section 2925 of the New York State Public Authorities Law or Section 201.3 of the New York State Public Authorities Law (collectively, the

To the Board of Directors
Town of Hempstead Industrial Development Agency
March 15, 2022
Page 4

Investment Guidelines), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Had we performed additional procedures, other matters may have come to our attention regarding the Agency's non-compliance with the Investment Guidelines, insofar as they relate to accounting matters.

We would like to make the Agency aware of two new accounting pronouncements which have been issued and will impact the Agency in future years:

- The GASB has issued Statement No. 87, *Leases*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the objective of which is to improve financial reporting by improving accounting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. The requirements of this Statement are currently effective for the Agency's 2022 year.
- The GASB has issued Statement No. 91, *Conduit Debt Obligations*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. The requirements of this Statement are currently effective for the Agency's 2022 year.

Restriction on Use

This information is intended solely for the use of members of the Board of Directors, management of Town of Hempstead Industrial Development Agency, 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.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 15, 2022

SHEEHAN
ACCOUNTANTS & ADVISORS

Town of Hempstead Industrial Development Agency
Adjusting Journal Entries
December 31, 2021

| | Debit | Credit |
|--|------------|------------|
| <u>Adjusting Entry #1:</u> | | |
| To reverse prior year deferred outflows and inflows. | | |
| Dr: Net pension liability - proportionate share | \$ 229,670 | |
| Dr: Deferred inflows of resources - changes in assumptions | \$ 4,442 | |
| Dr: Deferred inflows of resources - change in proportion and difference between employer contribution and proportionate share | \$ 6,139 | |
| Cr: Net pension liability - proportionate share | | \$ 10,581 |
| Cr: Deferred outflows of resources - change in proportion and differences between Agency contributions and proportionate share | | \$ 5,144 |
| Cr: Deferred outflows of resources - difference between expected and actual | | \$ 15,036 |
| Cr: Deferred outflows of resources - change in assumptions | | \$ 78,519 |
| Cr: Deferred outflows of resources -- net difference between projected and actual investment earnings | | \$ 130,971 |
| <u>Adjusting Entry #2:</u> | | |
| To adjust net pension liability - proportionate share for current year contributions. | | |
| Dr: Net pension liability - proportionate share | \$40,833 | |
| Cr: Pension expense | | \$40,833 |
| <u>Adjusting Entry #3:</u> | | |
| To record current year pension expense per the NYSLRS GASB 68 report. | | |
| Dr: Pension expense - proportionate share | \$ 66,665 | |
| Cr: Net pension liability - proportionate share | | \$ 66,665 |

Town of Hempstead Industrial Development Agency
Adjusting Journal Entries
December 31, 2021
Page 2

| | Debit | Credit |
|--|------------|-----------|
| <u>Adjusting Entry #4:</u> | | |
| To record current year deferred outflows per the NYSLRS GASB 68 report. | | |
| Dr: Deferred outflows of resources - change in proportion and differences between Agency contributions and proportionate share | \$ 67,822 | |
| Dr: Deferred outflows of resources - difference between expected and actual | \$ 15,197 | |
| Dr: Deferred outflows of resources - changes in assumptions | \$ 228,801 | |
| Cr: Net pension liability - proportionate share | | \$311,820 |

| | | |
|---|------------|------------|
| <u>Adjusting Entry #5:</u> | | |
| To record current year deferred inflows per the NYSLRS GASB 68 report. | | |
| Dr: Net pension liability - proportionate share | \$ 372,800 | |
| Cr: Deferred inflows of resources – change in assumptions | | \$ 4,315 |
| Cr: Deferred inflows of resources - change in proportion and difference between employer contribution and proportionate share | | \$ 11,027 |
| Cr: Deferred inflows of resources - difference Between expected and actual | | \$ 357,458 |

| | | |
|--|------------|------------|
| <u>Adjusting Entry #6:</u> | | |
| To record current year deferred outflows and related expense per GASB 75. | | |
| Dr: Post-retirement health benefits expense | \$ 118,922 | |
| Dr: Deferred outflows of resources - difference between expected and actual (OPEB) | \$ 232,019 | |
| Cr: Deferred inflows of resources - changes in assumptions | | \$ 32,975 |
| Cr: Deferred outflows of resources - changes in assumptions | | \$ 26,952 |
| Cr: Health insurance | | \$ 1,882 |
| Cr: Postretirement health benefits liability | | \$ 289,132 |

**Town of Hempstead Industrial Development Agency
2022 Mission Statement and Performance Measurements
(2021 Review)**

(Measurement Report)

Name of Public Authority: Town of Hempstead Industrial Development Agency

Mission Statement:

Pursuant to the General Municipal Law of the State of New York the Town of Hempstead Industrial Development Agency (“Agency” or “IDA”) was established under the laws of New York State to promote economic development and employment opportunities within the Town of Hempstead.

The Agency is a public benefit corporation created by the State of New York and is a quasi-governmental authority that functions in the public interest. The seven-member board over its 20 + years of existence and through its enacted policies and procedures has operated with transparency and openness. The Agency has, and will, continue to advance its statutory mandate to encourage economic growth and business activity, while preserving the best interests of the Town of Hempstead and its residents.

This outreach is achieved through the Agency’s online site and involvement by staff and board members with the business community at seminars and events.

The IDA believes that the most effective means to achieve its goals and reach its public purpose is to publicize the incentives that the agency provides. The key incentives include property tax relief, exemption from sales taxes and waivers of the mortgage recording tax.

Board members are actively involved in the development of our mission and in the ongoing evaluation of how well the agency is meeting its goals. During the year, the staff and board members discuss the contacts and proposed developments that have come to the IDA as well as the status of projects and the nature of what brought them to us. Discussions further involve how well we are meeting the needs of those who contact the Agency and the key role that our incentives play in this regard.

List of Performance Goals:

- Full compliance with all state disclosure requirements
- Annual analysis of the jobs created and economic activity generated through its projects by board members and staff to determine if the agency’s mission statement is being realized
- Transparency of all operations
- Strict adherence by management of all internal controls

- Outreach to business community and public, in general, to make them aware of the IDA's existence and the benefits that the agency can provide
- Ongoing update of the internet as well as the advertising program to best ensure that outreach is full realized
- Ensure interaction and outreach to elected officials in jurisdictions affected by the town IDA

1. Have the board members acknowledged that they have read and understood the mission of the public authority? Yes and more over each Board member is highly engaged in the authority and its mission to enhance economic development and job growth.
2. Who has the power to appoint the management of public authority? The seven member board of directors appoint the management of the IDA
3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? There are six staff members currently . Each position requires a degree of expertise and specific qualifications for each title that the board and existing staff management have defined.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission. Members of the board are actively involved in the development and implementation of the mission. Prior to its adoption, the mission statement was reviewed and discussed by the full board and staff. Pursuant to the New York State's Public Authorities Accountability Act of 2005, ("the Act") the day-to-day operation of the Agency is the specific obligation of its staff.

The "Act" reposes in the IDA Board of Directors direct oversight and control over the management staff. Thus, the board members are required to review and monitor financial and management controls and the operational activities of the IDA. The Board sets policy through its approval of resolutions and the projects that it induces to receive IDA benefits. Specifically, the Board members review and monitor the implementation of fundamental financial and management controls it establishes and enacts time and attendance rules and policies for staff salaries. The IDA Board is responsible for the adoption of the Code of Ethics that governs the activities of all members of the IDA, procedures and policies to protect employees from retaliation, and an indemnification policy covering all staff and board members. These have been in place for many years.

The Agency has established an independent Audit Committee, which has the responsibility to oversee all financial operations, as well as all reports and governmental disclosures prepared by the IDA. This Committee interacts with Sheehan and Company, the independent CPA firm that both conducts the annual audit and reviews all financial activities and transactions of the Agency on an ongoing basis throughout the year. The committee continually examines and revises the internal controls that are in place at the Agency to ensure not only that all operations are conducted pursuant to the highest ethical standards, but also that any conflicts of interest are avoided.

The Agency's Governance Committee seeks to ensure that the Agency follows and adopts best practices with respect to all IDA procedures, operations and policies. The Committee members are attentive to government reforms and new initiatives adopted in both the public and private sectors to ensure that the IDA is both aware of such measures and adopts the most effective and efficient methodologies for the conduct of all Agency affairs.

5. Has the board acknowledged that they have read and understood the responses to each of these questions? Yes, each board member provided input into the development of the mission statement as well as the policies and performance goals of the Agency. At board meetings, there is discussion as to the progress of the Agency in meeting its performance goals, as well as a review of our performance policies and fulfillment of the mission statement.

Adopted by Governance Committee: 2/24/22

Resolution: 009-2022

Adopted: 3/24/22

Ayes:

Nays:

Chairman

Town of Hempstead Industrial Development Agency

Property Disposition Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics and of operating in the most accountable and open manner, the Town of Hempstead Industrial Development Agency (the "Agency") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Agency will Dispose (as such term is defined below) of Property in compliance with any applicable Law, Rule or Regulation (as such term is defined below). Failure to follow the provisions of this Property Disposition Policy will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Definitions

Contracting Officer shall mean the Chief Financial Officer of the Agency.

Dispose, Disposed or Disposal shall mean the transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Property shall mean (a) personal property in excess of five thousand dollars (\$5,000.00) in value, (b) real property, and (c) any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Agency shall be responsible for the Agency's compliance with this Property Disposition Policy and the supervision and control of all Property Disposed of by the Agency. In addition, the Contracting Officer shall have the responsibility to insure the Agency operates in compliance with Title 5-A of the New York Public Authorities Law, including creating and maintaining adequate inventory controls and accountability systems for all Property under the control of the Agency and periodically inventorying such property to determine which, if any, property should be Disposed by the Agency. The Contracting Officer shall recommend to the Board any Property he or she deems suitable for Disposal.

Disposition of Property

Unless otherwise authorized by this Policy, the Agency shall Dispose of Property for not less than fair market value ("FMV") by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such terms and conditions as the Contracting Officer deems proper. Provided, however, that no disposition of real property, any interest in real property, or any other Property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction.

Unless otherwise authorized by this Policy, prior to disposing of Property or entering into a contract for the Disposal of Property, the Agency shall publicly advertise for bids for such Disposal or contract for Disposal. The advertisement for bids shall be made at such a time prior to the Disposal or

contract for Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Such advertisement shall include the date, time and place the bids will be publicly disclosed by the Agency. The Agency shall award the contract with reasonable promptness to the most responsible bidder whose bid, conforming to the invitation for bids, is most advantageous to New York State (the "State"), price and other factors considered; provided, however, that Agency reserves the right to reject all such bids when it is in the public interest to do so.

The Agency may Dispose of Property or enter into contracts for the disposal of Property via RFP, negotiation or public auction without regard to the two (2) paragraphs immediately above, but subject to obtaining such competition as is feasible under the circumstances, if:

- the personal property involved is of a nature and quantity which, if Disposed of under the first two (2) paragraphs of this section, would adversely affect the state or local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negotiation;
- the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00);
- bid prices after advertising therefore are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition;
- the Disposal is to the State or any political subdivision of the State, and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiation;
- the Disposal is for an amount less than the estimated FMV of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the State or a political subdivision of the State, including but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, and the purpose and terms of the Disposal are documented in writing and approved by resolution of the Board; or
- such Disposal or related action is otherwise authorized by law.

The Agency shall file an explanatory statement with the comptroller, the director of the division of budget, the commissioner of general services and the legislature not less than ninety (90) days before the Agency Disposes the Property if the Property is personal property in excess of \$15,000, or real property that has a fair market value in excess of \$100,000. When the Property is Disposed by lease (or exchange), then the Agency shall file an explanatory statement when the Property is real property leased for a term of five (5) years or less with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) in any given year, real property leased for a term greater than five (5) years with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) for the entire lease term; or any real property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Reporting Requirements

Annual Report

The Agency shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Agency. In addition, the Annual Report shall include a list and full description of all Property consisting of real and personal property Disposed of during such period covered by the Annual Report. The Annual Report shall include the price received by the Agency for the Property, in addition to the name of the purchaser for all such Property sold by the Agency during such period covered by the Annual Report.

The Agency shall deliver copies of the Annual Report with the comptroller, the director of the division of budget, the commissioner of general services and the legislature, and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Agency shall review and approve this Property Disposition Policy annually by resolution of the Board. On or before March 31 of each year, the Agency shall file with the New York State Office of the State Comptroller a copy of its Property Disposition Policy, including the name of the Contracting Officer appointed by the Agency. Upon such filing with the comptroller, the Agency shall post its Property Disposition Policy on its website.

Adopted by Governance Committee: 2/24/22

Resolution Number: 010-2022

Adopted: 3/24/22

Ayes:

Nays:

Chairman: _____

Operations and Accomplishments
Town of Hempstead Industrial Development Agency
2021

The shortage of rental housing in the town was reflected in the projects that were provided incentives by the Town of Hempstead Industrial Development Agency (hereinafter "IDA") during 2021.

Quite obviously developers recognized the need for residential rental construction and their initiatives followed the marketplace.

Two of the projects provided relatively few apartments. In Oceanside, S&S Atlantic Realty Inc. will be constructing a residential project of 22 two bedroom apartments and a single one bedroom. The \$517.6 million project is sited in a transit-oriented district. Ten percent (10%) of the units will provide affordable housing. Benefits included a PILOT, sales tax exemption and mortgage recording tax exemption.

The Vantage on Roosevelt will be adding seventeen 17 residential units in a three story building they will be constructing. The \$5 million project is located at 46-54 Roosevelt Avenue, Valley Stream. A PILOT as well as exemptions for sales taxes and mortgage were provided by the IDA.

Three larger apartment housing projects were provided benefits by the IDA. Two of the projects are located in the Village of Hempstead. 173 apartment units were approved for Main Street Hempstead Apartments LLC. The \$77.719 million project will have 28 two bedroom units, 106 one bedroom units and 39 junior one bedroom apartments. Ten percent of the apartments will consist of 17 units of affordable housing. A garage construction will provide 167 parking spaces. Incentives included a 25 year PILOT and sales tax and recording tax waivers. Four full-time positions will be created.

The second Hempstead Village project, Park Lake Hempstead LP, proposed to renovate the 240 existing units in the project based affordable housing community. A full rehabilitation of the units with new interiors, updated electrical, plumbing and heating and appliances are to be included in the work. A new community and business center with new management and laundry facilities will also be provided.

The site is about 11.52 acres with the structure at 213,319 square feet. The project costs of \$131.568 million will include \$63 million in bonding from Nassau County IDA. In addition to sales tax and mortgage recording tax benefits, there was an assignment and assumption of the existing PILOT with a fifteen year extension granted. Nine full time positions will be retained.

In Lawrence-Inwood, Heatherwood will be constructing a new 391,241 square foot building on 5.23 acres on Wanser Avenue. The existing four buildings were demolished. The 250 market rate units will consist of 148 one bedrooms, 129 two bedroom, 26 three bedroom and 10 four bedroom apartments. The \$154 million project includes 63 affordable housing units.

A 25 year PILOT together with sales tax and mortgage recording tax incentives were granted. Six full time positions are to be added by the second year.

Two existing projects were the subject of assignments and assumptions by Castle Lanterra Properties LLC. 130 Hempstead Avenue, West Hempstead and 303 Main Street, Hempstead, consisting of 150 and 166 units respectively, were purchased. The project cost for 130 Hempstead Avenue was \$67.585 million and 303 Main Street was \$71.790 million.

The PILOTs for both projects expire December 31, 2032.

Finally, two existing projects that were already receiving benefits, 3235 Hempstead/Zwanger Pesiri Levittown and SLZM Realty/Zwanger Pesiri Lynbrook, entered into amended lease agreements with new tenant/sub-lessee Mid Rockland Imaging Partners. Mid Rockland will assume the PILOTs. The term of the new leases is ten years for each project, ending January 31, 2031 with two five year options available to Mid Rockland.

It is expected that 2022 will be an active year with greater diversity in the nature of the projects and developments that will seek IDA incentives.

As 2021 ended, the IDA maintained 72 Projects through its incentives and retained and created more than 9,221 employment positions to benefit our township regional economies.

Adopted by Governance Committee: 2/24/22

Approved: 3/24/22
Resolution: 011-2022
Ayes:
Nays:

Chairman

**PURCHASING GUIDELINES OF THE
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY**

The Agency shall make no purchases of supplies, equipment or materials nor shall the Agency contract for the purchase of supplies, equipment or materials except as follows:

a. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of ten thousand dollars (\$10,000), the item to be purchased shall be formally bid and the purchase made from the lowest responsible bidder.

b. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of three thousand dollars (\$3,000) but not more than ten thousand dollars (\$10,000), written price quotations shall be obtained from not fewer than three (3) vendors and the purchase made after all such quotations are evaluated by the Agency.

c. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of one thousand dollars (\$1,000) but not more than three thousand dollars (\$3,000), written price quotations shall be obtained from not fewer than two (2) vendors and the purchase made after all such quotations are evaluated by the Agency.

d. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of two hundred fifty dollars (\$250) but not more than one thousand dollars (\$1,000), oral price quotations shall be obtained from not fewer than two vendors (2) and the purchase made after all such quotations are evaluated by the Agency.

e. No solicitation of price quotations shall be required in the following instances:

e-1. when the cost of the supply, equipment or material involved is two hundred fifty dollars (\$250) or less,

e-2. when the purchase is of professional services,

e-3. when the purchase is necessitated by a *bona fide* emergency, which emergency is described in writing by the Agency member or employee declaring same, ratified by telephone by not fewer than a majority of members and ratified by resolution at the next meeting of the Agency,

e-4. when the supply, equipment or material sought to be purchased is available only through a single source,

e-5. when the supply, equipment or material is being purchased from a correctional facility, another governmental Agency or an Agency serving the blind or severely handicapped, or at auction, or

e-6. when the supply, equipment or material is being purchased under a town, county or state contract.

As used in section e-3 hereof, the term “majority of members” shall mean a number of members equal to more than fifty percent (50%) of the difference between seven (7) and the number of IDA memberships, which are vacant at the time of the vote.

Adopted by Governance Committee: 2/24/22

Adopted: 3/24/22

Resolution Number: 012-2022

Ayes:

Nays:

Chairman

SELF-EVALUATION POLICY & PROCEDURES

TOWN OF HEMPSTEAD

INDUSTRIAL DEVELOPMENT AGENCY

2022

Self-analysis & internal evaluation of IDA procedures and policies is a crucial and difficult area to objectively calculate. The Agency considers that the policies and procedures that are currently in place ensure productivity, efficiency and financial “checks and balances” on the members and staff who run the day-to-day operations.

The staff literally, on a weekly basis, reviews operations to ensure that the agency is fulfilling its mandate to spur economic development. This includes procedures to comply with state requirements, reaching out to prospective clients and updating projects in the pipeline.

Any procedural or policy changes are discussed with both Agency counsel and board members serving on the Agency committee that have jurisdiction over the particular area involved.

The status of all projects is updated for board members through a monthly CEO’s Report, which includes general updates as to Agency operations, finances, procedures and policies.

Our outside accountants independently audit our books and finances to evaluate from their perspective as detached financial analysts, IDA procedures, policies and compliance with state requirements.

Specific roles:

- 1) CEO – Primary responsibility is the implementation of enacted procedures and policies of the Agency. The CEO is the staff person who is primarily responsible to ensure that the enacted resolutions and adopted policies and procedures are fully implemented. These formal actions, together with the operational methodology, govern the manner in which the agency conducts business.

As such, the CEO coordinates all Agency activities to effectuate the mission statement and the outreach to the economic and business community to generate an awareness of the Agency’s role and to spur project development.

The CEO further ensures that internal controls are in place and that the budget is within projections established both prior to the budgetary year and as the year unfolds. The CEO oversees the other personnel and interacts, on an ongoing basis, with the Agency council and chairs of the various committees with jurisdiction over the Agency’s operations.

The CEO, as designated chief exponent of IDA business, frequently speaks before economic groups, participates in forums and visits existing projects and potential ones to explain IDA benefits and the Agency's role in economic development.

The CEO and CFO are bank signatories and oversee the income and expenditures of the Agency. The CEO opens and reviews all bank statements to ensure postings comply with bank reports. The Agency Administrator and Deputy Agency Administrator tend to the Agency's daily financial operations and bookkeeping.

- 2) The CFO and Deputy Finance Officer oversee status of project compliance through an online spreadsheet program that includes all material data for each Agency project. This program is updated for accuracy and provides an ongoing tally of projects and the status and composite of all projects.
- 3) The CFO Independently reviews each check and wire that is submitted for induced projects. Thus, the CFO and the Agency Administrator act independently to account for all revenues that are received and invested by the Agency. In addition, the Agency Admin. is responsible for the day-to-day expenditures of the Agency and the related record keeping. Claim forms are attached to every bill and checks are signed by one of the bank signatories. The Agency Administrator is not one of the bank signatories. The CFO oversees PILOT banking and disbursement. The Deputy Financial Officer is responsible for the PILOT billing and collection.
- 4) Fees or other income earned by the Agency are prudently invested with commercial banks in Certificates of Deposit. On an ongoing basis, staff receives and verifies documentation to ensure that all accounts are adequately collateralized and the Agency's investments are protected. The CEO frequently contacts Commercial banks to ascertain the highest rates earned on a 30, 60, 90 day or longer basis. Moneys are transferred and deposited amongst the highest paying financial institutions. The CEO periodically speaks with the Town of Hempstead Comptroller's Office to ensure that the Agency has the most recent investing information concerning financial institutions as the Town, which engages in such activity on a daily basis. The CEO reviews the overall investments with the CFO and Deputy FO and reports his findings to the Chairman of the Finance Committee.
- 5) The Deputy Executive Director reconciles the PILOT accounts monthly and is the staff person responsible for the application processing.

As economic development is the key reason for the existence of the Agency, continuous outreach to the business, real estate and development communities is a crucial aspect of the daily operation of the CEO and staff.

Constant perusal of periodicals, updates to developers, brokers and business persons, as well as, onsite meetings with elected officials & members of the economic development community ensure that the Agency and the benefits it

provides are well known to all these key groups.

The CEO prepares a monthly report of potential projects, inquiries and solicitations that serves as a basis to track agency involvement. This report is presented to the board at its monthly meetings.

These formal internal procedures, as well as the documentation produced, provide the Agency with a structure that ensures a constant self-evaluation of its staff, procedures and overall operation.

Resolution: 013-2022

Adopted: 3/24/22

Ayes:

Nays:

Chairman: _____

Town of Hempstead
Industrial Development Agency
CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the Town of Hempstead IDA. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
4. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.

8. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Authority directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

Adopted by Governance Committee: 2/24/22

Resolution Number: 014-2022

Adopted: 3/24/22

Ayes:

Nays:

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
FEE SCHEDULE**

APPLICATION FEE:

The Town of Hempstead Industrial Development Agency (HIDA) will charge a non-refundable Application Fee of \$3,000.00, **plus a \$500.00 administrative expense for the development of a Cost Benefit Analysis to be paid at the time of submitting the formal application. The application fee or Cost Benefit Analysis Development fee will not be applied to the final administrative fee.**

ADMINISTRATIVE FEES:

HIDA will charge an Administrative Fee as follows:

-Taxable Bonds, Tax Exempt Bonds and Straight Lease Transactions.
The minimum fee will be on (i) the amount of the bonds; or (ii) in the case of a straight lease, the total projects costs or amount of the increased value of the assets plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant will receive benefits from HIDA, such fees will be calculated as follows:

| <u>Value</u> | <u>Minimum Fee</u> |
|-------------------------------------|--------------------|
| Up to <u>\$25,000,000.00</u> | .60 of 1% |
| In Excess of <u>\$25,000,000.00</u> | 1/10 of 1% |

-Special Straight Lease. A transaction less than \$1,500,000 in total (all project costs) may be considered for a "Special" Straight-Lease which would have an agency fee of \$7,000.00 or less.

- PILOT Payments. In addition to the late fees assessed for late PILOT payments that are payable to the taxing jurisdictions, HIDA will charge an additional 1.5% administrative late fee per month on the total amount due.

ANNUAL COMPLIANCE FEES:

HIDA will charge an initial compliance fee of \$3,000.00 and an Annual Compliance Fee of \$1,500.00 for the term of the bonds or straight lease for any project that closes after November 1, 2016. This non-refundable fee will be paid yearly in advance on January 1st. This fee will cover the cost of annual reporting and monitoring of the transaction. This fee is subject to periodic review and can be adjusted at the discretion of HIDA. .

AGENCY COUNSEL:

The fee for Agency Counsel is the responsibility of the applicant and is 1/10th of 1% of (i) the amount of the bonds, or (ii) under a straight lease, the amount of the total project costs or the amount of the increased value of the assets plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant will receive benefits from HIDA. The fee structure may be adjusted for a "Special" Straight-Lease only. For terminations, consents, second mortgages and other financings, Agency Counsel shall bill at the prevailing hourly rate.

BOND/TRANSACTION COUNSEL:

The fee of Bond/Transaction Counsel also is the responsibility of the applicant. Upon request, the applicant shall receive an estimate of the fee prior to the inducement resolution. The applicant will receive an engagement letter along with inducement package.

MISCELLANEOUS FEES:

| <u>TYPE</u> | <u>MINIMUM AMOUNT</u> |
|---|-----------------------|
| Document Processing | \$1,000-\$2,000 |
| Basic Cost Benefit Analysis (for projects that do not have: DEC Remedial Plans, Multi-family housing, Retail, increased traffic, impact to taxing jurisdictions such as school district, sanitation or other special districts, or a project that may exceed \$5,000,000.00) | \$2,500.00 |
| Comprehensive Cost Benefit Analysis | \$7,000.00 |
| Note: A new Cost Benefit Analysis may not be needed for existing IDA projects where the property is being conveyed to a new owner and there is an assignment and assumption of benefits and agreements. | |
| Assignments and assumption Of IDA Lease Agreements and Installment Sale Agreements | |
| Up to \$25,000,000.00 | .60 of 1% |
| In Excess of \$25,000,000.00 | 1/10 of 1% |
| Extension of Inducement | \$500.00 |
| Amendments, waivers, | \$750.00-\$1,500.00 |

Leases and subleases, etc.*

Sales Tax Exemption Extensions \$500.00

Consent, 2nd Mortgages and other
Financings Set by Board on a case to case
basis. Regular Fee Schedule
for new Money

TACA's and NDA's \$1,000.00
(Tenant Agency Compliance Agreements)
(Non-Disturbance Agreements)

Refinancing of Bonds* .60 of 1% of the outstanding
bonds, plus the applicable
Administrative Fee as scheduled
above for new money

Assumption of Outstanding Bonds* 1/8 of 1% of the outstanding
bonds plus the applicable
Administrative Fee as scheduled
above for new money

Termination Fee \$2,000.00

**Each transaction is reviewed for its complexity and these fees are subject to an
adjustment at the discretion of HIDA.*

EXPENSES:

All expenses incurred by HIDA (i.e. notices, court recorders, meeting
rooms, etc.) shall be for the account of the applicant. All underwriting, trustee,
legal, etc. expenses for the issuing of the bonds, notes, or straight leases shall
be for the account of the applicant.

Adopted: 10/21/21

Amended by Governance Committee: 2/24/22

Adopted:

Resolution Number: 017-2022

Ayes:

Nays:

Chairman Flo Girardi

Standard Project Procedures

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

1. Applications for new projects, together with an Environmental Assessment Form, application fee, a detailed breakdown of project costs and a narrative description of the project, must be submitted to the Town of Hempstead IDA (TOHIDA/the Agency) no later than the 1st of the month for the Monthly Board meeting. Incomplete Applications will not be accepted and will not be placed on Agenda for consideration. The application must be finalized with an Executed Recapture Policy and PILOT Schedule.
2. The attorney or law firm listed on the application in connection with the TOHIDA financing will be expected to give the usual and customary opinions of borrowers Counsel in such TOHIDA financing including, without limitation, zoning, site plan, public approvals, opinions and SEQR compliance opinions. If such attorneys are not willing or able to give such opinion, the applicant must engage competent and experienced counsel, satisfactory to TOHIDA, to render such opinions.
3. An application fee of \$3,000.00 will be required upon submission of application package. In addition a \$500.00 fee payable to the Agency will be required for the engagement of an outside firm to develop the Cost Benefit Analysis and is to be paid at the time of submitting the formal application. The \$3,500 fee will not be applied to the final administrative fee. The fee for the basic Cost Benefit Analysis is \$2,500.00 or \$7,000.00 for a more comprehensive Cost Benefit Analysis.
4. The Agency will not move ahead of any other governmental authorities until all necessary permits, variances, governmental approvals and site plans have been approved, and copies of such approvals have been submitted to the Agency. The Agency may induce a project prior to the Applicant receiving all necessary permits, variances, governmental approvals and site plans if the inducement resolution states that any final authorization of the project or the issuance of Bonds will be subject to the Applicant having obtained all such necessary permits, variances, governmental approvals and site plans, **or if deemed ministerial**. The Agency will not hold a public hearing until all approvals have been granted and copies of the approvals received by the TOHIDA. The Agency reserves the right to request a copy of an appraisal by a licensed appraiser prior to inducing a project or prior to granting final approval of a project. Notwithstanding the foregoing, a public hearing may be held and an inducement resolution issued where the situs of the project has been

approved by the applicable government entity for rezoning and all that remains outstanding is a non-discretionary ministerial approval, such as site plans or an approval under Section 239 of the General Municipal Law.

5. The Agency reserves the right to request the status of any and all tax certiorari cases prior to inducing a project.
6. **The Agency will not consider an inducement resolution for a project until the TOHIDA staff completes a Cost Benefit Analysis, PILOT Schedule and Feasibility Study, if applicable, and if the Agency's Transaction Counsel confirms a filing of a SEQR. The Agency will not hold a public hearing or adopt an authorizing resolution before SEQR is completed and finalized. If the Agency is to be included in a coordinated SEQR, notification will be made to the lead agency that we are an interested party. When a preliminary inducement resolution is required under the Internal Revenue Code (the "Code") for the issuance of tax-exempt bonds, language will be included in the resolution and a final inducement will be adopted.**
7. Enhanced benefits are based on policies set forth in the Agency's Uniform Tax Exemption Policy. Any PILOT Agreement, which provides for enhanced benefit shall include provisions for recapture or adjustment of benefits if a material change occurs (as defined in the PILOT agreement).
8. All notices of Public Hearings shall be mailed by TOHIDA staff to elected officials representing the area in which the PILOT is proposed, including State, County (including the County Legislator), Town (Town Clerk, Supervisor & the Town Board member from the District in which the PILOT parcel is located) and Village elected official (Mayor) as well as to the Superintendent of, and/or President of the Board of Education of any School District located within the area of the proposed PILOT, but excluding the County Clerk, County Comptroller and District Attorney.
9. All public notices advertising the date, time, place and agenda of public hearings and Board meetings are to be published 10 days prior to the meeting/hearing and 3 days prior to any Special Board meeting, in a newspaper of general circulation in the Town of Hempstead.
10. Notice of regularly scheduled TOHIDA Board meetings and the agenda thereof, shall be posted by the TOHIDA staff on the Town's bulletin boards and on the TOHIDA website at least 7 days prior to each Board

meeting and at least 3 days before each Special Board meeting. Notice of regularly scheduled Board meetings and an agenda thereof, shall also be mailed by TOHIDA staff to the local press, (Newsday) at least 7 days prior to a regularly scheduled Board meeting and at least 3 days prior to a Special Board meeting.

11. Prior to adopting a final authorizing resolution approving any transaction and the granting of economic benefits in connection therewith and the issuance of Bonds, the Agency shall hold a public hearing as required by the IDA Act and the Code. A stenographer will record the minutes and furnish them to the IDA to become part of the official record. The CEO and/or the Deputy Executive Director are hereby directed to publish public notices in a newspaper of general circulation in the Town of Hempstead. The CEO and/or the Deputy Executive Director are hereby authorized to pay the costs of such publication without the need of any further approvals by this Board. The CEO and/or the Deputy Executive Director are further directed and authorized to mail notice of such public hearing to each affected tax jurisdiction as required by the IDA Act. Public Notices of Public Hearings shall be published after the Agency has adopted an inducement resolution for a project; provided, however, if in order to coordinate the 10-day public notice requirement under the IDA Act with the Agency's meeting schedule it is necessary to publish a public notice prior to inducement, then the Chairman or the CEO, upon consultation with Counsel to the Agency and Transaction Counsel, may publish a public notice for such transaction.
12. The Agency will require a copy of an executed commitment agreement between the Applicant and the lender, a title report, a survey certified to the Agency, a Phase I Environmental Audit (If Applicable), certified copies of organizational documents of the applicant and if applicable a Phase II Environmental Audit, before a closing date can be scheduled.
13. All Applicants will require permission by the Agency in order to sublease any space within the Facility, subject to the applicable Agency fees.
14. Assignments must include the actual PILOT Schedule to be filed with the taxing jurisdictions.
15. The Agency may require a written agreement by the Applicant to remain within the Town of Hempstead for specified time frame and such agreement will state the number of jobs to be created or retained by the Applicant.

16. Use of the Sales Tax Exemption beyond the expiration date will require approval of the board. Extension of sales tax benefits will require a fee payable to the Agency. (See Fee Schedule)
17. Yearly compliance affidavits will be required by the Agency at the end of each calendar year. All projects will be required to provide employment figures and documentation, certificates of insurance, a letter regarding any pending litigation, sales tax exemption documents, and any other documents required by the Lease Agreement.
18. An initial compliance fee will be required at the closing of each transaction. An annual compliance fee will be required each year thereafter for the life of the project. Upon the termination of the project, a termination fee will be required. (See Fee Schedule)
19. All projects must submit their ST-60's to the Agency for all contractors within 30 days of their appointment and their bi-annual report of exemption. The Agency shall report any failure by the applicant, or any of its contractors to comply with this requirement, to the New York Department of Taxation.
20. The Agency shall deliver all sales tax exemption documents at the closing. The sales tax exemption will also include the stipulation that if the Applicant does not adhere to the guidelines specified, the Applicant will be reported to the New York State Department of Taxation and Finance by the Agency. The sales tax exemption will also be revoked retroactively to the date of issuance if the transaction is not closed. Each sales tax exemption shall state that it shall expire on the earlier of the completion of the Project or a specified date. In addition, sales tax exemptions for straight lease transactions shall also state that the sales tax exemption shall expire on the date that the Applicant has incurred a specific dollar amount of sales tax exemptions.
21. The Staff of the Agency shall circulate to all Board members, with copies to Agency Counsel and Transaction Counsel, an Agenda, as approved by the Chairman, one week prior to the Agency's Board meeting. The Staff shall circulate an Agenda change if necessary, no later than the end of business two days before a Board meeting. Copies of internal resolutions to be adopted by the Board shall be attached to the Agenda. The Board in its sole discretion may, but is not required to, consider matters brought to its attention at a meeting which were not included on the Agenda.
22. The Agenda for Board meetings shall follow the following format:
 - I. New Business/Transaction Resolutions, Applications and

- Presentations
- II. New Business
- III. Reading of the Minutes
- IV. Old Business
- V. Treasurer's Report
- VI. Committee Reports
- VII. Executive Session
- VIII. Unfinished Business
- IX. Adjournment

23. Except when it is necessary for the Board to go into an Executive Session, all meetings of the Board of the Agency shall be conducted in compliance with the New York State Open Meetings Law and shall be open to the Public.
24. No documents will be released until the Agency is paid in full.
25. The Board in its sole discretion may waive any of these procedures as may be necessary.

APPLICANT DUTIES

1. All applications for a PILOT (except for affordable housing projects using shelter rent calculations) shall include an independent appraisal from a certified and licensed real estate appraiser, **or a letter from a reputable tax/certiorari law firm that specializes in this area of law**, and said appraisal shall set forth as of the date of the PILOT application, the value of the proposed building(s) to be constructed or renovated, in its finished (completed) condition. A lender's mortgage appraisal shall not be considered an independent appraisal for application purposes.

Adopted: 12/20/21

Amended by Governance Committee: 2/24/22

Adopted:

Resolution #018-2022

Ayes:

Nays:

Chairman, Flo Girardi

***INVESTMENT POLICY & GUIDELINES
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
(2022)***

SCOPE

This investment policy applies to all moneys and other financial resources of the IDA available for investment.

OBJECTIVES

The primary objectives of the Town of Hempstead Industrial Development Agency's (hereafter TOHIDA) investment policies are:

- To conform with all applicable federal, state, town and other legal requirements (legal)
- To adequately safeguard principal (safety)
- To provide sufficient liquidity to meet all operating requirements (liquidity)
- To obtain a reasonable rate of return (yield)

DELEGATION OF AUTHORITY

The TOHIDA board's responsibility for administration of the investment program is delegated to the CEO pursuant to resolution by the board. The CEO, with the assistance of the Investment Committee, establishes written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and to regulate the activities of subordinate employees.

PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the TOHIDA to operate effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions

DIVERSIFICATION

It is the policy of the TOHIDA to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

INTERNAL CONTROLS

Subject to Investment Committee and Board approval, The CEO is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

DESIGNATION OF DEPOSITORIES

All banks and trust companies authorized for the deposit of monies by the Town of Hempstead.

COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, §10, all deposits of TOHIDA, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" which may include irrevocable letters of credit or surety bonds as well as those securities as authorized pursuant to the General Municipal Law, §10 with an aggregate "market value", or provided by General Municipal Law.

SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by (the depository and/or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure TOHIDA deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the TOHIDA to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the TOHIDA, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the TOHIDA or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the TOHIDA, will be kept separate and apart

from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the TOHIDA a perfected interest in the securities.

PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the TOHIDA shall authorize the CEO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York

Resolution: 016-2022

Adopted: March 24, 2022

Aye:

Nay:

Chairman _____

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES 2022

A. Mission & IDA's Major Business Functions:

The mission of the Town of Hempstead IDA is to grow business and enhance job creation within its jurisdiction. The IDA seeks to accomplish these goals through the incentives authorized by the General Municipal Law and the IDA Act. These include property tax abatement through "Payments in Lieu of Taxes" (PILOTS) as well as exemption from both sales and use taxes to a project's construction and development costs and waiver the New York State Mortgage Recording Tax.

The IDA can provide assistance in both "straight lease" transactions with conventional financing or through bonds. IDA involvement in a project enhances the economic health of a wide range of private sector institutions beyond the benefits extended to the particular applicants. These include the financial sector, construction industry, employment with jobs of every categorization and the impact that such economic activity has on businesses.

B. Risks Associated with Agency's Operations:

In any enterprise where revenues are generated and payments made, there is the potential for fraud or theft.

Hence, the revenues generated by the transactions undertaken by the IDA are safeguarded through stringent agency controls. The Agency Administrator handles these finances in terms of checking and bank accounts. The CEO reviews and oversees such administrative operations independently. Resolutions for payment authorization are created by the CFO.

The purchase of any service is approved by the CFO who prepares a Resolution for consideration by the IDA Board. The Chairman of the Finance Committee, who is a member of the board, independently reviews all such financial activities.

Every transaction is considered as having the potential for abuse and receives such heightened procedural controls to prevent both the potential for abuse or lax treatment.

Ongoing discussions with the agency's auditors, who diligently question and scrutinize internal controls, reinforces the agency's preoccupation with functional risks.

C. Internal Control Systems In Place:

The internal controls structure and procedures of the Town of Hempstead IDA are reviewed by the staff as well as by our independent accountants annually. These controls are adopted by both the committee and full board.

The Agency's established internal controls and procedures are the result of extensive discussions and review by our outside independent accountants who present a detailed questionnaire that addresses every aspect of IDA operations. Each of the IDA staff members and the Chairman of our Investment and Audit Committees respond to the inquiries by our accountants who then independently evaluate our operation and comment upon it in the annual report.

As part of its ongoing self-analysis of its operations, the IDA staff re-evaluate internal control procedures to ensure that a clear delineation of responsibilities were incorporated into all operations. These discussions and findings were reviewed by both board members and the IDA's independent auditors. For example, IDA revenues & capital are placed in various financial institutions in collateralized CD accounts. These are periodically received to ensure that the best return in interest is secured. The administration of that cash and all check writing is the responsibility of the Agency Administrator. The CEO independently reviews all assets at financial institutions to insure that the accounts square with the office accounts. On an ongoing basis, the CEO reviews bank submissions to make sure that the collateral pledged to secure IDA deposits provides adequate security.

Furthermore, the staff discusses financial operations on a weekly, if not, on a more frequent basis. All expenditures are submitted by staff to the board for approval by resolution. Low cost purchases are itemized and these items, which normally include supplies (pens, paper, water cooler), are paid by check as well as pursuant to a standing resolution approved by the board. The CEO reviews all such payments made by the Agency Administrator.

The staff constantly updates the projected revenues and expenditures as well as the overall budget to ensure that the filings are consistent with the projections made prior to the fiscal year.

The Investment Chairman of the IDA Board is provided with all financial claims, payments and budget updates on a regular basis. The Investment Committee and each of the IDA Board members are presented with all such budgetary materials prior to each of its monthly meetings. Minor expenditures are explained pursuant to the standing resolution and specific expenditures are each approved by the board by resolution.

Any and all purchases of services and larger items are conducted pursuant to the IDA's Purchasing/Procurement Policy and Guidelines.

The Investment Policy is conducted pursuant to the resolutions enacted by our board and the laws of New York State that regulate governmental authorities and municipalities. Income generated is invested solely in prudent institutions, which are commercial banks, presently, that offer the highest rate of return. Hence, such assets are fully protected against loss and constitute what can only be categorized as the lowest level of risk. As previously stated herein, the CEO periodically updates the rates offered by each of the commercial banks to guarantee the highest rate of return. Principal is reinvested periodically to reflect such fluctuation in the rates.

D. Extent To Which The Internal Control System Is Effective:

The division of responsibilities and the independent review, set forth in the Agency's procedures over its operation, create a multi-leveled structure that virtually precludes abuse and ensures the timely and quick exposure of any indiscretion.

Supporting this observation as to the excellence of the agency's internal control is the review completed by the Agency's outside accountants who question each employee as to the nature and effectiveness of the internal controls in place. Each employee justifies before the independent accountant, the manner in which the stated procedures and controls actually function. (See document from Sheehan & Company).

E. Corrective Action:

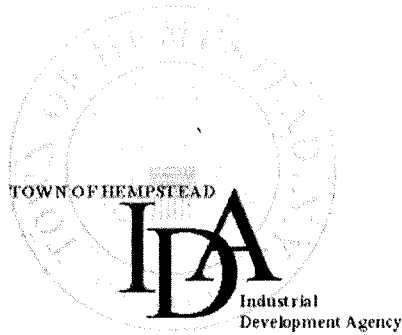
Any inappropriate action discovered within the agency operations is referred to the Agency's independent counsel for review and recommended action by the IDA Board.

The Agency's Code of Conduct and Ethics determine the course to be adopted from internal discipline for minor infractions to referral to the District Attorney in the event of criminal activity.

Resolution# 015-2022
Adopted: March 24, 2022
Aye:
Nay:

Chairman _____

Frederick E. Parola
Chief Executive Officer



350 FRONT STREET HEMPSTEAD, NY 11550-4037
(516) 489-5000 EXT. 4200 • (516) 489-3179

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING

February 24, 2022 9:00 a.m.
Town Hall Pavilion, One Washington Street, Hempstead

Agenda: **Village Business: Village of Freeport:** Consideration of an Authorizing Resolution for NBD Holding LLC, 417, 435, 444, and 477 Woodcleft Avenue, Village of Freeport. **Village of Hempstead:** Consideration of an Authorizing Resolution for Estella Housing, 176 Main Street, Hempstead. Consideration of a Mortgage Refinance for Hempstead Lincoln Mercury, 301 N. Franklin Street, Hempstead. **New Business:** Consideration of an Authorizing Resolution for Parabit Systems Inc, 33-35 Debevoise Avenue, Roosevelt, Consideration of an Authorizing Resolution for Inwood Property Development LLC, 360-370 Bayview Avenue, Inwood, Consideration of an Amended Inducement Resolution for 43-47 Broadway Realty, LLC, 17 & 21 Langdon Place, 47 Broadway, 90 & 96 Station Plaza, Lynbrook, Consideration of an Amended Inducement Resolution for PGD Baldwin Commons LLC, 785 Merrick Road, Baldwin, Consideration of a Tenant Consent for 990 Stewart Avenue Holding, 990 Stewart Avenue, Garden City – Barnes & Noble Consideration of a Tenant Consent for Equity One Northeast (Regency Centers), 900 Old Country Road, Westbury – GNC, Consideration of a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – Summit Health, **New Business – Other:** CEO Report, Summary of Confidential Evaluation of Board Performance 2021, Summary of Board Self-Evaluation Forms, Compliance Review 2021, Distribution of New Contact List, **Old Business:** Consideration and Adoption of the Minutes January 31, 2022, Report of the Treasurer, Committee Updates, Executive Session, Adjournment.

Those in attendance:

Florestano Girardi, Chairman
Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Ph.D
Jill Mollitor

Village of Hempstead Members:

Daniel Oppenheimer
LaMont Johnson
Stacey Lucas
Joylette Williams

Village of Freeport Members:

Hon. Robert T. Kennedy, Freeport Member
Vilma Lancaster
LaDonna Taylor
Mark Davella

Also in attendance:

Frederick E. Parola, CEO
Arlyn Eames, Deputy Financial Officer
Michael Lodato, Deputy Executive Director
Laura Tomeo, Deputy Agency Administrator
John E. Ryan, Agency Counsel
Paul O'Brien, Phillips Lytle LLP
Barry Carrigan, Nixon & Peabody

Excused:

Thomas Grech, Vice Chairman
Edie Longo, CFO
Lorraine Rhoads, Agency Administrator

The meeting was called to order at 9:08 a.m. The Chairman declared a quorum was present.

Public Comment: The Chairman opened the floor to comments by the public:

Katherine Gary and Aubrey Mohamed spoke about Estella and Carmen. They are not in favor of any PILOTs.

Anthony Spezigle from Local Union 66 spoke on behalf of the union employees regarding NBD Holding LLC, He would like to know if they were going to use Union and local Labor for the project.

Village of Freeport:

Consideration of an Authorizing Resolution for NBD Holding LLC, 417, 435, 444, 477: John Gordon from Forchelli, Deegan, Terrana addressed to the Board about the project. The applicant intends to construct an 89,836 hotel building/tourist destination on 1.615 acres of land. The hotel will consist of 100 rooms including a 125 person capacity ball room with an attached independently operated 100 person restaurant. This hotel will serve as a tourist destination and will serve guests traveling to the site for leisure and business purposes. Jack Majkut made a motion to table the Authorizing Resolution for NBD Holding, LLC project due to the company not having a clear answer on if they were using Union Labor for the project. This motion was seconded by Flo Girardi. The Hon. Robert T. Kennedy, Freeport Member Vilma Lancaster, LaDonna Taylor, Mark Davella, Eric C. Mallette, Jerry Kornbluth, Ph.D, and Jill Mollitor voted against tabling the project. Motion Failed. Vilma Lancaster made a motion to accept the Authorizing Resolution for NBD Holding LLC. This motion was seconded by Mark Davella. Jack Majket was not in favor of the project. Flo Girardi, The Hon. Robert T. Kennedy, Freeport Member Vilma Lancaster, LaDonna Taylor, Mark Davella, Eric C. Mallette, Jerry Kornbluth, Ph.D, and Jill Mollitor were in favor. Motion carried.

Village of Hempstead:

Consideration for an Authorizing Resolution for Estella Housing: John Gordon from Forchelli, Deegan, Terrana made a presentation to the Board Members about the project. This applicant intends to develop and construct a current vacant commercial parking lot located at 176 Main Street within the Village of Hempstead. The proposed project is located within the Village's Downtown Overlay Zone and will create 96 rental units (42 Studios, 34 One Bedroom, 19 two bedroom and 1 Superintendent Unit). The total building will be approximately 125,911 square feet inclusive of 5,538 square feet of space for a community service facility. This will be housed on .6193 acres. The residential portion of the project will be 100% affordable, with all units having income restrictions of 60% of the Area Median Income, one unit will be a non-income bearing unit reserved for an employee. Jack Majket made a motion to accept an Authorizing Resolution for Estella Housing. This motion was seconded by Flo Giradi. All were in favor. Motion carried.

Consideration of a Mortgage Refinance for Hempstead Lincoln Mercury: Mike Lodato spoke in reference to The Hempstead Lincoln Mercury Refinance. Hempstead Lincoln Mercury is refinancing their balloon mortgage with Ford Motor Credit Corp. The payoff as of February 17, 2022 is \$2, 858,490.24. They are also taking an additional \$500,000.00 for additional renovations. Hempstead Lincoln Mercury would also like the mortgage recording tax exemption on this, if possible. Jack Majket made a motion to accept a Mortgage Refinance for Hempstead Lincoln Mercury. This motion was seconded by Flo Giradi. All were in favor. Motion carried.

New Business:

Consideration of an Authorizing Resolution for Parabit Systems Inc., 33-35 Debevoise Avenue, Roosevelt: Dan Baker from Certilman Balin addressed the Board Members. Parabit currently has a PILOT program with the Town of Hempstead IDA. They are growing and looking to expand. The applicant intends to construct a 7,820 square foot addition on a piece of vacant land which had been purchased from the Town of Hempstead which will bring the total square feet of the building to 28,825. This expansion is necessary to meet the demands of the current growth in manufacturing kiosks and ATM access control systems for Banks. Flo Girardi made a motion to approve an authorizing Resolution for Parabit Systems Inc. This motion was seconded by Eric Mallette. All were in favor. Motion carried

Consideration of an Authorizing Resolution for Inwood Property Development LLC, 360-370 Bayview Avenue, Inwood: Dan Baker from Certilman Balin addressed the Board Members. This applicant intends to construct a 48 Unit, 52,582 square foot building on .23 acres of land. The building will be comprised of 20 one bedroom units, 15 two bedroom units, and 12 three bedroom units, as well as 1 Studio. Twenty five percent of the units will be affordable based off an 80% AMI or less. Eric Mallette made a motion to approve an Authorizing Resolution for Inwood Property Development LLC. This motion was seconded by Flo Girardi. All were in favor. Motion carried

Consideration of an Inducement Resolution for 43-47 Broadway: Dan Baker from Certilman Balin addressed the Board Members. The applicant intends to convert the current 60,011 square foot building into a Class A commercial office building. The lobby, lower level and five upper floors will be demolished in order to suit the needs of Class A Office Tenants. Building Systems will be upgraded and/or replaced. The building is 601,011 square feet on 1.4 acres located within the Village of Rockville Centre. The property is currently owned by the Diocese of Rockville Centre and has been vacant for many years. The property was purchased in 2021 by 43 – 47 Broadway. Eric Mallette made a motion to approve an Inducement Resolution for Rock 50 LLC. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

Consideration of a Preliminary Inducement Resolution for PGD Baldwin Commons LLC, 785 Merrick Road, Baldwin: John Gordon from Forchelli, Deegan, Terrana made a presentation to the Board. This applicant intends to demolish a current automobile storage lot and construct a new 33,759 square foot building on approximately .5 acres. This new complex will contain 33 units for workforce housing. The building will be comprised of 4 stories including 27 one bedroom and 6 two bedroom units. All residential units will be on floors 2 - 4, the ground floor will function as a leasing office, community room and fitness room. All of the units will be targeted to households earning up to 60% of the median area income. 10% of the units will be designed as fully handicap accessible and 4% will be designed for the hearing and visually impaired. The PILOT payments will be made based on shelter rents. Jack Majkut made a motion to approve a Preliminary Inducement Resolution for PGD Baldwin Commons LLC. This motion was seconded by Flo Girardi. All were in favor. Motion carried.

Consideration of a Tenant Consent for 990 Stewart Avenue Holdings, 990 Stewart Avenue, Garden City – Barnes & Noble Education, Inc.: Flo Girardi made a motion to approve a Tenant Consent for 990 Stewart Avenue Holdings, 990 Stewart Avenue, Garden City – Barnes & Noble Education, Inc. The premises is Suite 520 in 990 Stewart Avenue and is approximately 6,564 rentable square feet. Barnes and Noble Education, Inc. is a leading solution provider for the education industry, driving affordability, access and achievement at hundreds of academic institutions nationwide and ensuring millions of students are equipped for success in the classroom and beyond. They plan to employ around 20 employees in this space. The lease has a 3 year 2 month term. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

Consideration of a Tenant Consent for Equity One Northeast (Regency Centers), 900 Old Country Road, Westbury - GNC: Flo Girardi made a motion to approve a Tenant Consent for Equity One Northeast (Regency Centers), 900 Old Country Road, Westbury - GNC. The tenant will use the premises for the primary retail sale of vitamins, mineral supplements, herbal supplements, weight gain products, diet and weight loss products, sports nutrition supplements, natural source supplements (all of the foregoing shall be non-prescription), prepared and prepackaged healthy foods and such other retail items as are sold from time to time in a majority of the General Nutrition stores provided that any such items are not in

conflict with any existing exclusive uses or other tenants in the Shopping Center and for the incidental sale at retail of (a) health foods, (b) natural source cosmetics and other natural source beauty aids, (c) male and female indoor and outdoor exercise clothing, apparel and (d) exercise related instructional tapes and for no other purpose. The term of lease is five (5) year with one (1) Five (5) Year option. The company will employ 4 employees with a total salary of \$120, 000.00. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration of a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road Lynbrook – Summit Health: Jack Majkut made a motion to approve a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road Lynbrook – Summit Health. Summit Health, a multi-specialty medical practice, is looking to obtain approvals for their new location at 444 Merrick Rd., Suite 112, Lynbrook NY, 11563. The premises is comprised of 5,303 square feet. They will have approximately 10 – 12 employees operating out of the space. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

CEO Report: Fred Parola provided the Board with a copy of the CEO Report.

Summary of Confidential Evaluation of Board Performance 2021: Arlyn spoke to the Board and requested completion of forms ASAP.

Summary of Board Self-Evaluation forms (included in meeting materials): Arlyn spoke to the Board

Compliance Review 2021: Arlyn spoke to the Board

Distribution of new Contact List: no vote needed

Old Business:

Minutes of the January 31, 2022 Board Meeting: Eric Mallette made a motion to adopt the minutes of January 31, 2022. This motion was second by Flo Girardi. All were in favor. Motion carried.

Report of the Treasurer: The Board was furnished with copies of the Financial Statements and Expenditure list for January 25, 2021– February 17, 2022. All were in order.

Committee Updates: There were no updates

Executive Session: There was no executive session

Adjournment: Flo Girardi made a motion to adjourn the meeting at 9:53 a.m. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Jack Majkut, Secretary
March 24, 2022

10:29 AM

03/17/22

Accrual Basis

Town of Hempstead I. D. A.
Account QuickReport
As of March 17, 2022

| Type | Date | Num | Name | Memo | Split | Amount | Balance |
|--|------------|------------|-------------------------|--------------------|---------------------|-------------------|------------------|
| 200 - Cash | | | | | | | 27,863.39 |
| 200-13 - Bank of America - 9419794381-Ck | | | | | | | 27,863.39 |
| Check | 02/22/2022 | 31019 | Fevola Reporting & T... | Invoice # 5465... | 522-06 - Meetin... | -562.50 | 27,300.89 |
| Check | 02/22/2022 | 31020 | Fevola Reporting & T... | Invoice # 5463... | 522-06 - Meetin... | -362.50 | 26,938.39 |
| Transfer | 02/22/2022 | | | Funds Transfer | 200-14 - Bankof... | 40,000.00 | 66,938.39 |
| Check | 02/22/2022 | 31021 | Newsday Media Group | Acct. 0887648... | 522-22 - Public ... | -620.00 | 66,318.39 |
| Check | 02/22/2022 | 31022 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -744.00 | 65,574.39 |
| Check | 02/22/2022 | 31023 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -648.00 | 64,926.39 |
| Check | 02/22/2022 | 31024 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -636.00 | 64,290.39 |
| Check | 02/25/2022 | 52070 | PAROLA, FREDERI... | 522-52 Pay Pe... | -SPLIT- | -1,869.76 | 62,420.63 |
| Check | 02/25/2022 | 52071 | LONGO, EDITH M. | 522-52 Pay Pe... | -SPLIT- | -425.86 | 61,994.77 |
| Check | 02/25/2022 | 52072 | RHOADS, LORRAINE | 522-52 Pay Pe... | -SPLIT- | -1,075.11 | 60,919.66 |
| Check | 02/25/2022 | 52073 | Arlyn C. Eames | 522-52 Pay Pe... | -SPLIT- | -3,024.22 | 57,895.44 |
| Check | 02/25/2022 | 52074 | Lodato, Michael | 522-52 Pay Pe... | -SPLIT- | -2,760.79 | 55,134.65 |
| Check | 02/25/2022 | 52075 | Laura N. Tomeo | 522-52 Pay Pe... | -SPLIT- | -2,254.38 | 52,880.27 |
| General Journal | 02/25/2022 | S&Co ... | Bank of America | 522-52 Pay Pe... | 602-04 - FICA ... | -5,291.23 | 47,589.04 |
| Check | 02/25/2022 | 31025 | The New York Times | Subscription A... | 522-05 - Dues ... | -70.80 | 47,518.24 |
| Check | 02/25/2022 | 31026 | Fevola Reporting & T... | Invoice # 5471... | 522-06 - Meetin... | -312.50 | 47,205.74 |
| Check | 02/25/2022 | 31027 | Fevola Reporting & T... | Invoice # 5472... | 522-06 - Meetin... | -312.50 | 46,893.24 |
| Check | 02/28/2022 | electro... | N.Y.S & LOCAL EMP... | Code 51313 - ... | -SPLIT- | -499.84 | 46,393.40 |
| Check | 02/28/2022 | 31028 | Optimum | 07858-547683... | 522-07 - Office ... | -191.69 | 46,201.71 |
| Check | 02/28/2022 | 31029 | TOH Department of ... | Health Ins. - I... | 522-70 - Health... | -8,563.22 | 37,638.49 |
| Check | 03/03/2022 | 31030 | TOH Dept of General... | Postage - Febr... | 522-19 - Postag... | -451.53 | 37,186.96 |
| Check | 03/03/2022 | 31031 | READY REFRESH b... | Acct# 042347... | 522-07 - Office ... | -99.44 | 37,087.52 |
| Check | 03/03/2022 | 31032 | AFLAC | NQR44- Invoic... | 602-11 - AFLA... | -230.58 | 36,856.94 |
| Check | 03/03/2022 | 31033 | DGS - Reproduction ... | Envelopes Inv... | 522-21 - Printing | -28.46 | 36,828.48 |
| Check | 03/07/2022 | 31034 | TOH Dept of General... | Rent - March 2... | 522-12 - Rent E... | -2,500.00 | 34,328.48 |
| Check | 03/07/2022 | 31035 | Todd Shapiro | Consultant - M... | 522-01 - Profes... | -2,500.00 | 31,828.48 |
| Check | 03/09/2022 | 31036 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -636.00 | 31,192.48 |
| Check | 03/09/2022 | 31037 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -636.00 | 30,556.48 |
| Check | 03/09/2022 | 31038 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -608.00 | 29,948.48 |
| Check | 03/09/2022 | 31039 | Newsday Media Group | Acct. 0887648... | -SPLIT- | -648.00 | 29,300.48 |
| Check | 03/09/2022 | 31040 | FREDERICK PAROLA | VOID: Reimbu... | 522-07 - Office ... | 0.00 | 29,300.48 |
| General Journal | 03/09/2022 | S&Co ... | FREDERICK PAROLA | For CHK 3104... | 522-07 - Office ... | -50.60 | 29,249.88 |
| General Journal | 03/09/2022 | S&Co ... | FREDERICK PAROLA | Reverse of GJ... | 522-07 - Office ... | 50.60 | 29,300.48 |
| Check | 03/09/2022 | 31041 | FREDERICK PAROLA | Reimburseme... | 522-07 - Office ... | -50.60 | 29,249.88 |
| Check | 03/10/2022 | 31042 | PAYCHEX | Payroll Servic... | 2100-01 - PAY... | -193.32 | 29,056.56 |
| Check | 03/11/2022 | 52076 | PAROLA, FREDERI... | 522-52 Pay Pe... | -SPLIT- | -1,589.07 | 27,467.49 |
| Check | 03/11/2022 | 52077 | LONGO, EDITH M. | 522-52 Pay Pe... | -SPLIT- | -598.80 | 26,868.69 |
| Check | 03/11/2022 | 52078 | RHOADS, LORRAINE | 522-52 Pay Pe... | -SPLIT- | -1,232.61 | 25,636.08 |
| Check | 03/11/2022 | 52079 | Arlyn C. Eames | 522-52 Pay Pe... | -SPLIT- | -3,024.24 | 22,611.84 |
| Check | 03/11/2022 | 52080 | Laura N. Tomeo | 522-52 Pay Pe... | -SPLIT- | -2,254.38 | 20,357.46 |
| Check | 03/11/2022 | 52081 | Lodato, Michael | 522-52 Pay Pe... | -SPLIT- | -2,760.79 | 17,596.67 |
| General Journal | 03/11/2022 | S&Co ... | Bank of America | 522-52 Pay Pe... | 602-04 - FICA ... | -5,378.10 | 12,218.57 |
| Total 200-13 - Bank of America - 9419794381-Ck | | | | | | -15,644.82 | 12,218.57 |
| Total 200 - Cash | | | | | | -15,644.82 | 12,218.57 |
| TOTAL | | | | | | -15,644.82 | 12,218.57 |

10:21 AM
03/17/22
Accrual Basis

Town of Hempstead I. D. A.

Balance Sheet

As of March 17, 2022

Mar 17, 22

ASSETS

Current Assets

Checking/Savings

| | |
|--|--------------|
| 200-22 · Checking (FNBLI)187009667 | 165,000.00 |
| 200-21 · Oper Invest MM(FNBLI) 186702577 | 209,170.78 |
| 200-20 · Severance (FNBLI) 186702585 | 237,396.27 |
| 200-19 · HlthRetirement (FNBLI)186702593 | 907,873.16 |
| 200 · Cash | |
| 200-02 · Petty Cash | 63.71 |
| 200-13 · Bank of America - 9419794381-Ck | 12,218.57 |
| 200-14 · BankofAmerica MMS - 9419794402 | 2,761,104.60 |

Total 200 · Cash 2,773,386.88

Total Checking/Savings 4,292,827.09

Total Current Assets 4,292,827.09

Fixed Assets

400-00 · Furniture & Fixtures

| | |
|-----------------------------------|------------|
| 400-02 · Accumulated Depreciation | -26,702.70 |
| 400-01 · Furniture and Fixtures | 26,702.70 |

Total 400-00 · Furniture & Fixtures 0.00

400-051 · Computer equip.

| | |
|--------------------------------------|-----------|
| 400-04 · Accumulated Dep. - Computer | -3,929.02 |
| 400-05 · Computer Equipment | 3,929.02 |

Total 400-051 · Computer equip. 0.00

400-100 · Machinery & equip.

| | |
|---------------------------|------------|
| 400-102 · A/D - Equipment | -15,878.00 |
| 400-101 · Equipment | 15,878.00 |

Total 400-100 · Machinery & equip. 0.00

450-00 · Leasehold improvement

| | |
|--------------------------------------|------------|
| 450-02 · Accumulated Amort. | -85,332.13 |
| 450-01 · Leasehold Improvements | 14,140.00 |
| 450-03 · 2009 Leasehold improvements | 84,273.98 |

Total 450-00 · Leasehold improvement 13,081.85

Total Fixed Assets 13,081.85

Other Assets

490-00 · Due from PILOT account -99,489.85

Deferred outflows of resources

| | |
|---|------------|
| 700-3 · Diff - expect/actual exp GASB68 | 15,197.00 |
| 700-1 · Changes in Agency cont GASB68 | 141,197.00 |
| 700-4 · Change in assumptions | 155,426.00 |
| 700-6 · Change in assumptions OPEB | 242,567.00 |
| 700-5 · Diff expected & actual OPEB | 255,424.00 |

Total Deferred outflows of resources 809,811.00

Total Other Assets 710,321.15

TOTAL ASSETS 5,016,230.09

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

602-00 · Payroll Liabilities

| | |
|-----------------------------------|-----------|
| 602-09 · NY Unemployment | -1,207.70 |
| 602-04 · FICA Tax W/H Social Sec. | -280.70 |
| 602-01 · Retirement W/H | -197.84 |
| 602-07 · Disability W/H | 36.00 |
| 602-11 · AFLAC WITHHOLDING | 124.53 |
| 602-06 · Retirement Loan | 151.00 |

10:21 AM
03/17/22
Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of March 17, 2022

| | Mar 17, 22 |
|---|--------------|
| Total 602-00 · Payroll Liabilities | -1,374.71 |
| 550-00 · Accrued Expenses | -288.92 |
| Total Other Current Liabilities | -1,663.63 |
| Total Current Liabilities | -1,663.63 |
| Long Term Liabilities | |
| 605 · Net pension liability - pro. sh | 1,539.76 |
| 602 · -10 Compensated absences | 92,079.24 |
| Deferred inflows of resources | |
| 500-4 · Change in assumptions | 4,315.00 |
| 500-2 · Change in pro - employer & prop | 11,027.00 |
| 500-5 · Changes in assumption OPEB | 32,975.00 |
| 500-1 · Difference between expect/act | 357,458.00 |
| Total Deferred inflows of resources | 405,775.00 |
| 603-00 · Postretirement health benefits | 1,450,586.00 |
| Total Long Term Liabilities | 1,949,980.00 |
| Total Liabilities | 1,948,316.37 |
| Equity | |
| Net Income | -56,156.86 |
| 3000 · Opening Bal Equity | 498,858.39 |
| 909-00 · Fund Balance | 2,625,212.19 |
| Total Equity | 3,067,913.72 |
| TOTAL LIABILITIES & EQUITY | 5,016,230.09 |