

Town of Hempstead IDA
Governance Committee Meeting AGENDA
Old Courtroom, 2nd floor
350 Front Street, Hempstead
September 17, 2024 – 8:30 a.m.

The Minutes of this meeting will be posted when available on IDA website:
www.tohida.org.

Members:

Eric Mallette, Chairman
Thomas Grech
Robert Bedford
Edie Longo
Arlyn Eames
John Ryan
Fred Parola (ex officio)

Agenda:

- Consideration and re-adoption of the Governance Committee Charter
- Appointment of the Procurement Officer
- Consideration and re-adoption of the Uniform Tax Exemption Policy
- Consideration and re-adoption of the Conflict of Interest Policy
- Consideration and re-adoption of the Property Acquisition Policy

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TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

2024 GOVERNANCE and UNIFORM POLICY and GUIDELINES COMMITTEE CHARTER

This Governance and Uniform Policy and Guidelines Committee (“Committee”) Charter was adopted by the Board of the Town of Hempstead Industrial Development Agency (“Agency”), a public benefit corporation established under the laws of the State of New York.

Purpose

Pursuant to Article III, Section 2 of the Agency’s bylaws, the purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Agency;
- Updating the Agency’s corporate governance principles and governance practices; and
- Advising those responsible for appointing members to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Committee

The Board of the Agency has delegated to the Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Committee deems necessary.
- Solicit, at the Agency’s expense, persons having special competencies, including legal, accounting or other consultants as the Committee deems necessary to fulfill its responsibilities. The Committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board’s adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the committee shall be as set forth in accordance with and pursuant to Article III, of the Agency’s bylaws. The Committee shall be comprised of no less than three (3) independent members. The size of the Committee shall be determined by the

Board. The Committee members shall be appointed by, and will serve at the discretion of, the Agency's Board. The Board may designate one member of the Committee as its Chair. The members shall service until their resignation, retirement, removal by the Agency Board or until their successors shall be appointed and qualified. When feasible, the immediate past Committee Chair will continue service as a member of the Committee for at least one year to ensure an orderly transition.

Committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

The Committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The governance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

Reports

The Committee shall:

- Report its actions and recommendations to the Agency Board at the next regular meeting of the Agency Board.
- Report to the Agency Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the Committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the Committee has responsibilities related to: (a) the Agency's Board; (b) evaluation of the Agency's policies; and (c) other miscellaneous issues.

Relationship to the Agency's Board

The Agency's Board has delegated to the Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Committee has specific expertise, as follows:

- Develop the Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the Committee shall:

- Develop and recommend to the Agency Board the number and structure of committees to be created by the Agency Board.
- Develop and provide recommendations to the Agency Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Agency Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Agency's governance process.

Evaluation of the Agency's Policies

The Agency's Committee shall:

- Develop, review on a regular basis, and update as necessary the Agency's Code of Ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Agency Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Agency Board any required revisions to the Agency's equal opportunity and affirmative action policies.
- Develop and recommend to the Agency Board any required updates on the Agency's written policies regarding procurement of goods and services, including

policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.

- Develop and recommend to the Agency Board any required updates on the authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Agency Board any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency Board, such as the Agency's by-laws. The Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The Committee shall:

- Review on an annual basis the compensation and benefits of the CEO and other senior Agency officials.
- Annually review, assess and make necessary changes to the Committee charter and provide a self-evaluation of the Committee.

Resolution: 035-2024

Adopted by Governance Committee:

Ayes:

Nays:

Chairman

RESOLUTION

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

APPOINTMENT OF PROCUREMENT OFFICER

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

WHEREAS, by the adoption of this resolution a Procurement 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 Frederick E. Parola, CEO as the Procurement Officer for the Town of Hempstead Industrial Development Agency.

Resolution Number: 037-2024

Adopted by Governance Committee:

Ayes:

Nays:

Chairman

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

Pursuant to the authority vested in it by Section 874(4)(a) of Title One of Article 18-A of the General Municipal Law of the State of New York, the Town of Hempstead Industrial Development Agency (HIDA) may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds or by participating in straight lease transactions.

HIDA has adopted this Uniform Tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

I. A. Real Property Taxes:

HIDA general policy is to grant applicants real property tax abatements for projects involving the purchase and renovation of existing buildings and the construction of new facilities. This program provides for a ten-year period phase-in on the real property taxes. The purchase price in an arms-length transaction can be used to determine the fair market value and assessed value of the property. The phase in will apply to the increased assessment/taxes resulting from the renovation of existing buildings or new construction. HIDA's general policy is to consider freezing the first three years of the taxes at an amount usually based on the current taxes as it, in its sole discretion determines considering the factors listed in Paragraph B, hereof, not one of which is determinative, provided, however that a determination to freeze or fix the assessed value/taxes shall not be considered a deviation from HIDA's uniform tax exemption policy. In addition; it is the general policy of HIDA, that it may grant full or partial tax exemptions for a period up to fifteen years, on a case- by-case basis for (I) manufacturing facilities; (II) senior housing, affordable housing, health care/assisted living facilities; (III) vacant facilities or facilities which HIDA, in its discretion, determines to be in an area of economic distress or having higher than average unemployment or similar circumstances; or (IV) facilities that will create or retain a significant number of full time jobs; or (v) qualifying retail facilities.* A determination by HIDA to grant such exemptions shall not be considered a deviation from policy.

*Retail facilities may be permitted if less than one-third of the total project cost is used for retail sales or services, or meets one of the exceptions, i.e.; a tourism destination, located in a highly distressed area or provide goods or services not otherwise readily available to the residents of the Town.

In determining payments under a payment in lieu of tax ("PILOT") agreement, HIDA will, in consultation with the Nassau County Assessor's Office, through the use of tax roll rates, the Town of Hempstead Office of Receiver of Taxes, and any Village within which the project is located, determine appropriate fixed dollar amounts for PILOT payments under the PILOT Agreement for each tax year that the PILOT Agreement is in effect, as well as the proportionate allocation of such payments amount the taxing jurisdiction.

For Urban Renewal Plans and/or Overlay Zones, the PILOT Agreement may set flat PILOT payments per unit, per year for a term of up to 10 to 15 years, or in the case of such facilities financed with tax-exempt bonds, for the term of the tax-exempt bonds.

Assisted living facilities may be granted a PILOT Agreement for a term of up to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Assisted Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

Senior living facilities may be granted a PILOT Agreement for a term of up to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Senior Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

Affordable housing projects may be granted a PILOT for a term of up to 10 to 15 years, which is calculated using a "10% Shelter Rent calculation", whereby the Applicant provides HIDA with figures equal to 10% of the annual total revenues minus the total utilities of the affordable housing project in the application, and thereafter on an annual basis.

In the event an affordable housing project is financed by tax-exempt bonds or 9% Low Income Housing Tax Credits or the project is subject to a recorded Regulatory Agreement recorded by a Municipality or a governmental entity restricting the income levels of the residents of the housing project and the amount of rent payable by the residents, the PILOT Agreement may, at the sole discretion of the Agency, run concurrently with the term of the bond financing or the term of the Regulatory Agreement or such period as may be required by a

state or federal housing agency or authority that is also providing financing or benefits to such project or such lesser period as the Agency shall determine.

Market Rate Housing Projects may be granted a PILOT for a term of 10 to 15 years, and be required to include a minimum of 10% affordable units and 10% workforce units to be maintained as such for the life of the Lease and Project Agreement. Each of the "affordable" units shall rent at a reduced rate to tenants with an annual income at or below 80% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development. Each of the "workforce" units shall rent at a reduced rent to tenants with an annual income at or below 120% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development.

Market Rate Housing Projects project shall provide the Agency with the number of affordable units and workforce units on a yearly basis as part of the Agency's Annual Compliance, attested to under penalty of perjury by signed affidavit.

Market Rate Housing Projects may receive additional years in a PILOT Agreement if they are located in a highly distressed or blighted area, a block grant area, a local development zone, an opportunity zone, or a transit-oriented zone.

Approval of all housing projects will be at the sole discretion of the Agency's Board Members. All project applicants for Market Rate Housing Projects, Senior Housing Living Facilities, Assisted Living Facilities and Affordable Housing Projects must submit a feasibility study to the Agency demonstrating the need for the project, other existing or planned housing projects, the impact on the local taxing jurisdictions, the impact on the local school district and the expected number of children, if any, who are likely to attend the local school district, and demonstrating that the housing project complies with the Act.

B. Deviations:

In addition to, or in lieu of, the aforesaid abatement policy HIDA can determine, on a case-by-case basis, to deviate from the guidelines described above or provide enhanced benefits for a project whose scope, size or potential is expected to have a major impact for the Town of Hempstead. Enhanced benefits may exceed fifteen years, as HIDA deems appropriate. The decision of HIDA to grant or deny any such deviation shall be within the sole discretion of HIDA.

HIDA may consider any or all of the following factors in making such determination, no single one of which is determinative:

- The nature of the proposed project (i.e. manufacturing, commercial, civic, retail).
- The nature of the property before the project begins (i.e. vacant land, vacant buildings, brownfield sites, etc.).
- The economic condition of the area at the time of the application and positive economic effect that the project will have on the area.
- The extent to which a project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary ranges of such jobs.
- The estimated value of tax exemptions to be provided.
- The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- The amount of private sector investment generated or likely to be generated by the proposed project.
- The likelihood of accomplishing the proposed project in a timely fashion.
- The effect of the proposed project upon the environment and the surrounding area.
- The extent to which the project will utilize to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.
- The extent to which the proposed project will require the provision of additional services, including, but not limited to, educational, transportation, police, emergency medical or fire services.
- The extent to which the proposed project will provide additional sources of revenue or taxes for the State, County, Town, municipalities and school districts in which the project is located.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- The number of construction jobs to be created during the construction or renovation of the project and whether the project applicant will pay prevailing wages on such construction jobs.

II. **Sales Taxes:**

Purchase of construction related equipment (by applicant) or rental or lease of construction related equipment (by applicants or contractors and subcontractors), purchases of construction and building material and purchase, rental or lease of project related equipment, furnishings and other items of personal property are made as agent for HIDA, and are, therefore, afforded full exemption from New York State sales and use tax. Operating expenses of the projects are not to be incurred as agent of HIDA and no sales tax exemption is provided therefore. Sales and use tax exemption will not be granted for the purchase, rental or lease of motor vehicles and trailers registered for over the road use.

All project applicants must agree in writing to timely filing with the New York State Department of Taxation, and HIDA of an annual statement, (and all other forms and reports as maybe required by NYS Department of Taxation including ST-60's, ST-123 and ST-340), of the value of all sales and use tax exemptions claimed in connection with facility in full compliance with the New York State General Municipal Law, in the form and at the time required thereby. The agreement will also include a total exemption amount.

Sales and use tax exemption agreements will have an expiration date based upon the estimated project completion date plus a window (i.e. six months, one year, etc.) to allow for possible delays. The duration will also be determined by the maximum total exemption dollar amount. The window period will be set on the basis of the project and any extensions of the expiration dates or increases in the dollar amount of the exemption must be approved by the HIDA board prior to the expiration date of the exemptions or the date on which the dollar amount of exemptions has been expended.

III. **Mortgage Recording Tax:**

Mortgages executed by HIDA in connection with project related financing are provided an exemption from New York State mortgage recording taxes. Mortgages executed by HIDA in connection with non-project related financing may be exempt from New York State mortgage recording taxes, at the discretion of HIDA. In determining whether to permit such exemptions on non-project related financing, HIDA shall consider such factors, as it deems appropriate including, but not limited to, the use of the property, the degree of investment, the degree and nature of employment and the economic condition of the area in which the facility is located.

IV. **A. Recapture of Benefits:**

HIDA, with respect to a particular project that receives real property tax abatements, sales and use tax exemptions or mortgage recording tax

exemptions shall require the project applicant to agree to the recapture of such benefits by HIDA pursuant to the following schedule:

Within first 4 years	100%
Within first 6 years	75%
Within first 8 years	50%
Within first 9 years	25%
After first 9 years	0%

Events that HIDA may determine will trigger recapture may include, but shall not be limited to, the following:

- Sale or closure of facility;
- Significant employment reduction or failure to meet employment goals;
- Significant change in use of facility;
- Significant change in business activities of project applicant or operator;
- Material noncompliance with or breach of terms of Agency transaction documents; or
- Failure to create or retain the number of private sector full time (or full time equivalent) or part time jobs that the company represented it would in the Company's application to HIDA.
- Failure to pay PILOT payment.
- Event of Default under the Bond or Lease Documents.

If HIDA determine to provide for recapture with respect to a particular project, HIDA also may, in its sole discretion and on a case-by-case basis, determine the timing and percentage of recapture, either prospectively or retroactively.

B. Additional Recapture Provisions

In addition to the provision for recapture set forth in Paragraph IV.A, HIDA may, in its sole discretion, and on a case-by-case basis, require recapture of benefits (either retroactively or prospectively as it determines to be appropriate in its best judgment) with respect to any project or project applicant for:

- failure to respond to HIDA inquiries concerning payments of principal and interest;

- failure to respond to HIDA inquiries concerning insurance coverage or failure to provide insurance certificates when and as required by HIDA transaction documents;
- failure to respond to HIDA inquiries regarding payment in lieu of taxes or sales and use tax exemptions;
- failure to respond to HIDA inquiries or to provide facts requested by HIDA in connection with any proceedings or determinations pursuant to Paragraph C or Paragraph D of this policy;
- failure to respond to inquiries of HIDA or failure to provide HIDA with any information or documents requested by HIDA in order to provide any federal, state or local agency with information or reports required under any applicable law, rule or regulation including without limitation information required under PAAA and PARA, number of jobs, total payroll etc.; or
- failure to provide any other information concerning the project or the project applicant or any project operator requested by HIDA.

Upon the occurrence of any of the events listed in this Paragraph IV.B, HIDA will, upon at least ten calendar days written notice to the project applicant, hold a hearing before the IDA Board, at which the project applicant will have the opportunity to provide, or explain its failure to provide, the information requested by HIDA. Within 30 calendar days after the hearing, HIDA will determine whether and to what extent it will require recapture of the value of tax exemptions granted with respect to the project by virtue of HIDA involvement.

V: VIDEO RECORDINGS OF MEETINGS

The Agency shall, to the extent practicable, stream all open meetings and public hearings on its website in real-time. The agency shall post video recordings of all open meetings and public hearings on its website within five business days of the meeting or hearing and shall maintain such recordings for a period of no less than five years.

VI: EFFECTIVE DATE

This Uniform Tax Exemption Policy shall apply to all projects for which HIDA has adopted or adopts an Inducement Resolution including refinancings after January 1, 2024, and all refinancing of any project induced or closed before January 1, 2025.

HIDA, by resolution of its Members, and upon notice to all affected tax jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

Resolution: 038-2024

Adopted by Governance Committee

Adopted by Board:

Ayes:

Nays:

Chairman

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
CONFLICT OF INTEREST POLICY

Conflicts of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members 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. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use their position, confidential information or the assets of the authority, to their personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise their official duties.

Outside Employment of Authority's Employees: No employee may engage in outside employment if such employment interferes with their ability to properly exercise their official duties with the authority.

PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or Ethics Officer. Such written disclosure shall be made part of the official record of the proceedings of the authority.

Determining Whether a Conflict of Interest Exists: The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the NYS Commission on Ethics and Lobbying in Government when dealing with cases where they are unsure of what to do.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when they know or has reason to know that the action could confer a direct or indirect financial or material benefit on themselves, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to CEO, CFO, or Agency Counsel, in accordance with the Agency's Whistleblower Policy.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

Resolution Number: 036-2024

Adopted by Governance Committee:

Ayes:

Nays:

Chairman

Town of Hempstead Industrial Development Agency (TOHIDA)
Real Property Acquisition Policy

This policy is adopted pursuant to the provisions of the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009.

Policy Purpose: It is the policy of the Town of Hempstead Industrial Development Agency (“the Agency”) to conduct its operations in compliance with the highest standards of conduct and best practices applicable to industrial development agencies, and to operate in an accountable and transparent manner.

Real Property Acquisitions: Interests in Real property, including, without limitation, fee or leasehold interests shall not be acquired by the Agency for development, resale, operation, easing, sub-leasing or other uses.

Exemption for Financial Assistance Transactions: Notwithstanding any provision of this policy to the contrary, this policy shall not apply to any acquisition of a real property involving the granting of “financial assistance” (as defined in Section 854(14) of article 18-A of the General Municipal Law) to an Applicant. Such property interests is not “property” as defined in Title 5-A of the Public Authorities Law of the State because such property and the interests therein are security for the Applicant’s obligations to the Agency under the agreements between the Agency and the Applicant relating to such financial assistance.

This policy is subject to modification or amendment at the discretion of the TOHIDA Governance Committee and/or the TOHIDA Board and shall be filed annually with all local and state agencies and posted on the Agency’s website as required under all applicable state law.

Resolution Number: 039-2024

Adopted by Governance Committee:

Ayes:

Nays:

Chairman: _____