

BOARD MEMBERS
DAVID MADDEN - CHAIRMAN
WAYNE HAWKINS – VICE CHAIRMAN
ANDREW BRITTO
ANTHONY JOSEPH CANTOLI
JOSEPH M. DESTEFANO

MARIA BRUNI, ADMINISTRATIVE DIRECTOR
PATRICIA RACINE, SECRETARY
KELLY ANN KELLY, TREASURER
ALEX SMITH, IDA COUNSEL

Industrial Development Agency City of Middletown

City of Middletown Industrial Development Agency MEETING MINUTES January 18, 2022; 4:30 p.m. Council Chambers; City Hall

Meeting called to order at 4:30 pm

Board sworn in by City Clerk Richard McCormack

1. ROLL CALL: Present: David Madden, Joseph DeStefano, Wayne Hawkins, Andrew Britto, Joseph Cantoli
Also in attendance: Maria Bruni, Patricia Racine, Kelly Ann Kelly

2. REORGANIZATION

Nomination and election of Chairperson: Wayne Hawkins nominated David Madden as
Chairperson; seconded by Joseph Cantoli.

Roll call vote: 4-0, one abstention

Nomination and election of Vice Chairperson: Andrew Britto nominated Wayne Hawkins as Vice
Chairperson; seconded by Cantoli.

Roll call vote: 4-0, one abstention

Nomination and Resolution to appoint Officers: Administrative Director, Treasurer, Secretary and
counsel

Wayne Hawkins nominated Maria Bruni as Administrative Director, Patricia Racine as Secretary,
Kelly Ann Kelly as Treasurer and Alex Smith as Counsel.

Motion to approve made by Hawkins; seconded by Cantoli

Motion carried: 4-0, one abstention

Resolution to approve and adopt Bylaws

Motion to approve made by DeStefano; seconded by Britto

Motion carried: 5-0

Resolution to approve and adopt Mission Statement

Motion to approve made by Britto; seconded by Hawkins

Motion carried: 5-0

Resolution to approve and adopt Policies

Motion to approve made by Hawkins; seconded by Britto

Motion carried: 5-0

2. APPROVAL OF MINUTES – 12/14/21

Motion to approve made by Britto; seconded by Cantoli

Motion carried: 5-0

3. TREASURERS REPORT– none

4. BILLS AND COMMUNICATIONS –

Alex Smith – Legal Services: \$1370.00

Motion to approve made by Hawkins; seconded by Britto

Motion carried: 5-0

5. UNFINISHED BUSINESS – none

Danza Leser Group

Bruni: Mr. Chairman, I would like to continue the discussion regarding the Danza Leser Group regarding their sales tax exemption extension which expired in May of 2021. As the board is aware they requested an extension and a letter was sent to the ABO by Mr. Smith. A letter was returned by the ABO suggesting that the board do some extensive financial analysis of the request. At this point I feel the need to bring in a consultant to do that analysis. Mr. Smith felt we did not need to do a formal application but that we did require information for a financial analysis. We drafted a document. What I am asking today is to retain the services of RBT CPAs to assist us with the analysis. We do feel that we should cap the cost of the engagement to \$3500 since this is a reimbursable expense. Danza Leser would be paying the cost of the analysis. If it looks like it will be more than that, we will come back to the board.

In the meantime you should know that we were notified in December that 2 parcels under the Danza Leser PILOT were to be sold. RBT would be analyzing how those sales might affect the Project Agreement as well. So there are two things going on the Sales Tax Exemption and some sales of real property.

Madden: The original agreement is from 2013, correct?

Bruni: Correct

Madden: ...and the original agreement which predates most of us on this board allows sales tax exemptions up to a certain amount?

Bruni: Yes there is a cap.

Madden: ...and have they approached that cap or are they well below it?

Bruni: They are well below it. So there is room for an exemption but on advise of counsel and the ABO that we need to do this analysis in order to properly set forth an extension based on an analysis.

Madden: They came to us after their exemption had expired

Madden: So, had they come to us prior to the expiration we would not have to do this?

Bruni: They came to us way after so we are doing this because of the expiration.

DeStefano: So is this \$3500 for other application or strictly for Danza Leser?

Bruni: This is strictly for Danza and a model going forward. Patti did put together a template for Danza which RBT will review and see if there are additional questions or if we are missing something or misrepresenting anything.

DeStefano: I am assuming this will be a pass-through cost to Danza Leser? Will the entire cost be to Danza Leser or will some of this be for the creation of the template?

Bruni: The template is already created it is just going to be reviewed by them for the Danza Leser Project.

DeStefano: We put that template together?

Bruni: Yes, Patti put it together.

Madden: So, we are approving up to \$3500 for the review of that template.

Bruni: Obviously we are going to send it Danza for them to complete and then RBT will do review the financial review and assessment.

The only action is a resolution to approve the proposal.

Britto: Has this happened before?

Bruni: We have had other Sales Tax exemptions but this one is expired, that's the difference. Each year we send out a questionnaire to gather information from each project but this is more in depth and requires an analysis that is more extensive.

Britto: because of the expiration or because of the sale?

Bruni: because of the expiration, the sale issue just came up about a month ago.

Madden: That is a separate issue from the sales tax. So we will have two separate discussion

Bruni: Yes, so how does the sale of parcels affect the Project Agreement and that is something that RBT will also consult on.

Madden: Is there precedent for that? Where other projects have tried to sell off property?

Bruni: Not formerly, no.

DeStefano: What is the importance of precedence in selling off property? Is this going from a PILOT to full taxation it would be beneficial to the City to transfer some of the property out. I don't see what would be negative there? Does anyone see what would be negative?

Britto: My question was to see how we have handled these types of situations in the past.

DeStefano: I don't recall any like this. The goal is to move projects off the PILOT and into full taxation. If we had a bond issue the parcels would be collateral but I in this case the parcels are not collateral.

Bruni: The two parcels they presented are vacant. This particular project is 21 parcels. The reason it is important is because the Project Agreement mentions the sale of parcels and our counsel needs to take a hard look at this in the light of the Project Agreement.

6. NEW BUSINESS –

Resolution to appoint treasurer as signatory on bank accounts

Motion to approve made by Cantoli; seconded by Britto

Motion carried: 5-0

Resolution to approve meeting schedule and authorize publication regarding same.

Motion to approve made by Britto; seconded by Hawkins

Motion carried: 5-0

Resolution to approve RBT proposal for consulting services regarding the Danza Leser Group Project and authorize the Administrative Director to sign the engagement letter.

Motion to approve made by Britto; seconded by Cantoli

Motion carried: 5-0

Sign Fiduciary Agreements

Sign Certificates of Independence

Complete board self-evaluation

7. ADJOURNMENT

Motion for adjournment made by Britto; seconded by Cantoli

Motion carried 5-0