

IDA GOVERNANCE COMMITTEE 2022  
Virtual Meeting Minutes 04-28-22

The committee meeting was called to order at 11:04

In attendance: Lori Ann Pipczynski, Chair  
James Farley  
Tony Baressi  
Tracy Stark-James

Lori Ann Pipczynski motioned to open the Governance Committee Meeting. Anthony Baressi seconded. The meeting commenced on zoom at 11:04 am.

**FEE SCHEDULE POLICY REVIEW:**

The committee discussed that although in the opinion of the accounts, the Agency has a note in its financial statements that a going concern of the Agency has been considered and resolved, we do have a matter from an Audit perspective that the Agency needs to consider its revenue sources. The committee has been reviewing and discussing the fee schedule over the past year. The ED noted that the Agency has been reviewing and postponing amendments to the fee schedule for quite a while and it is one of many policies that gets reviewed annually.

The ED reiterated her concern about the smaller projects and the impact of raising fees would have, to be comparable to the other Long Island IDA's, as well as avoiding complicating the fee structure.

Jim Farley suggested using a formula compared to a value of the benefit, perhaps using a percentage of anticipated benefit. It was discussed that the benefit is determined at the time of approval and it is only an estimate. Additionally, it could be perceived negatively. The ED reminded the committee, that Riverhead is only recently been attracting larger projects close to the scale of the Western IDA's. The committee agreed that the agency should also be somewhat consistent with other IDA's to remain competitive.

The Committee reviewed the compliance fee portion of the fee schedule as it applied to the complexity of different project structures. The committee reviewed the agency costs for reviewing each project, the different structures and complexities of reviewing the different types of projects and how each should be categorized appropriately while remaining conscientious of the smaller retail tenants who may or may not receive a direct benefit. Some of the subtenants receive tax benefits, some do not. Charges of other LI agencies were compared. The Agency is not underwritten and is self-sustaining.

To reduce the impact of the increase of the compliance fees, the committee decided to pace in the increase over two years.

The committee recommended that the some categories of the compliance fees be tapered in over the course of three years:

Compliance Fee schedule proposed over the next 3 years:

Single Entity: 250 – 400 - 600 – 750

Multi Corporate Entity/Multi Residential Units/or accommodations thereof: 500 – 1000 – 1250- 1500  
21 or more residential tenants and/or 3 or more commercial tenants/ multiple tenant or corporate entity

#### Bond Project: 300- 1000

With regard to the administrative fee, it was estimated that the agency needs to have approximately \$32 million in projects to cover annual expenses, which translates into approximately 4 ten million dollar deals.

It was suggested that perhaps the Agency did not need to change the administrative fee at all. There were several suggested formulas to calculate the initial Administrative Fee provided for the ED to run a comparison spread sheet on various project costs. The committee will rediscuss after receiving that data.

The committee will make a recommendation to the board during the next board meeting to approve the amendments to the fee schedule.

#### SALES TAX REPORTING:

The ED reported that two projects had submitted ST 340's with their compliance reports, but it was noted that their sales tax eligibility had expired. A letter was sent to JWLP and they have responded that the submission was in error. The exemption was not taken using the IDA authorized sales tax. The ED is waiting on counsel for guidance on Peconic Crossing.

#### PROJECT REVIEW:

Peconic Crossing -The ED also updated the committee on nuisance issues with the project.

Island International – The ED shared correspondence from the company in response to fee waiving decision.

TOD: The ED updated the committee on the progress of the TOD development

Jim Farley motioned to close the meeting. Anthony Barresi seconded. Mtg adjourned at 1:29pm

The Governance Committee meeting was closed at 1:29pm.