

RIDA Virtual Governance Committee Meeting

Minutes: 9-26-24

Virtual

Attendance: Lori Ann Pipczynski, James Farley, Lee Mendelson, Tracy James-ED and Agency Counsel Terance Walsh

Chairwoman Pipczynski called the meeting to order at 3 pm and the Executive Director informed the committee about potential compliance issues revolving around G2D Development Group and its projects at 205 Osborn, LLC and 331 East Main, LLC. A letter was sent on September 19th requesting information on the non-specified liens. The Agency documents require that if there are liens, the company must dispose of them within 30 days. The agency is unfortunately subordinate to any mortgages because it doesn't have a security interest, just a contractual right. The ability to assert rights as a priority in a bankruptcy situation given that the PILOT payments are essentially tax revenue was discussed, and how the agency could best anticipate a potential bankruptcy or other situation. Counsel reviewed remedies available to the IDA. It was noted that the Osborne Avenue project had not yet benefited significantly from property tax exemptions, maybe just be sales tax at this point. The ED was going to calculate the benefits utilized to date. Given that the 10-day period had not yet lapsed from the time the letter of inquiry was sent, Committee members agreed to meet again once the cure period had ended. It was noted that there are currently no outstanding financial obligations to the agency.

Counsel was also asked if the agency could declare an event of default based upon the abandonment of a project. The agency does not have that particular means within its documents but, there are other means to declare an event of default. The committee discussed having that ability to default incorporated into future agreements should a project be abandoned prior to the set construction completion date. Counsel had to leave the meeting at 3:30pm.

Discussions then turned to the Restaurant Depot project and the need to amend the start date of the exemption to 2024/25 given that the Assessor's Office did not implement the exemption upon receipt of notification of the approved benefits. As the project represents only a portion of the total strip mall property and represents a unique and complex set of circumstances, the Executive Director and Committee members worked with the attorney to ensure that implementation of property tax benefits on the increase in assessment are being implemented as intended. There were numerous mechanical questions with regard to the implementation of this PILOT, so the committee tabled the discussion until the next committee meeting when counsel is present.

The ED then updated the committee on the status of Island Water Park aka Scotts Pointe and will continue to follow up.

The committee set a date to have another virtual meeting for Wednesday the 2nd at 11am.

James Farley motioned to adjourn the meeting. Lee Mendelson seconded. The committee meeting adjourned at 4:02 pm.