

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

April 27, 2016, 9:00 a.m.

Regular Meeting

350 Front Street, 2nd Floor Old Courthouse, Hempstead, N.Y.

Confirm a Quorum

NEW BUSINESS - Applications, Transaction Resolutions and Presentations:

- Consideration of an Authorizing Resolution for Hempstead 209 LLC
- Consideration of an Inducement Resolution for Gateway Holdings LLC, Garden City, 9:00 a.m. Presentation
- Consideration of an Inducement Resolution for Wood Partners, Hempstead, 9:15 a.m. Presentation
- Consideration of an Inducement Resolution for KRM 5 Towns LLC, Lawrence, 9:30 a.m. Presentation
- Consideration of an Inducement Resolution for Renaissance Downtowns Urban America, Hempstead, 9:45 a.m. Presentation
- Consideration of amended PILOT Schedule for Village Lofts

NEW BUSINESS - Other:

- Executive Directors Report
- Compliance Review 2015, Consideration of Employment Shortfalls
- Consideration of a Resolution to Change the May Meeting Date

OLD BUSINESS:

- Update Circulo de la Hispanidad
- Update Shor Yoshuv
- Discussion of International Shoppes project

READING AND APPROVAL OF MINUTES OF PREVIOUS MEETING:

- Consideration and Adoption of the Minutes of March 29, 2016

REPORT OF THE TREASURER:

- Financial Statements and Expenditure List — March 23, 2016 – April 20, 2016

EXECUTIVE SESSION

ADJOURNMENT

Chairman Approval:

Hempstead 209, LLC
DRAFT PILOT

209 Front Street
Hempstead, NY 11550
SD 1
Section 34
Block 300
Lots 147,148,149,150,151
Taxes Currently: \$100,875.64

Year	Total
1	\$ 52,160.00
2	\$ 52,160.00
3	\$ 52,160.00
4	\$ 52,812.00
5	\$ 53,472.00
6	\$ 54,274.00
7	\$ 55,088.00
8	\$ 56,069.00
9	\$ 57,050.00
10	\$ 58,191.00

3/2/16

This PILOT has not been approved by the IDA Board.

DATA INPUT SHEET - COMMERCIAL DEVELOPMENT

Applicant:	Hempstead 209, LL	X
Address:	209 Front Street	X
City:	Hempstead, NY	X
Zip Code:	11550	X
Today's Date	March 30, 2016	X
Application Date	12/23/15	X

APPLICATION REQUEST

Purpose:	Renovation/Construction	
New Building	\$ 1,200,000	X
Building Expansion	\$ 1,075,000	X
Total	\$ 2,275,000	
Construction Costs	\$ 110,000	X
Equipment Costs	\$ 200,000	X
Total	\$ 2,585,000	
Jobs Retained-Operation	0	X
Est. Jobs Created-Operation	<u>6.5</u>	X
Total	6.5	
Wages at the time of Application	\$ -	X
Operating Wages	\$ 179,998	X
Real Property Taxes-10 years	\$ 1,126,651	X
Input Real Property Tax rate on line 28		
10 year PILOT Years 1-3	\$156,480	X
PILOT Years 4-10	\$386,956	
Input Real Property Tax rate on line 32		
15 Year PILOT Years 1-3		X
PILOT Years 4-15		
Sales Tax Rate	0.08625	
Sales Tax Abatement	\$ 200,000	X
Mortgage Tax Rate	0.015	
Mortgage to be Held	\$ -	X

INDUSTRIAL DEVELOPMENT AGENCY**ECONOMIC ANALYSIS MODEL (THIDA-RevV2, 4-1-12)**

COMMERCIAL APPLICATION

Applicant
Hempstead 209, LLC
209 Front Street
Hempstead, NY
11550

Application Date
December 23, 2015

Date of Calculations
March 30, 2016

Dr. Thomas Conoscenti & Associates, Inc.
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TOWN OF HEMPSTEAD ANALYSIS INDEX

Hempstead 209, LLC

COST BENEFIT ANALYSIS-SUMMARY

COSTS

Mortgage Tax Abatement	\$0
Sales Tax Abatement	\$375,000
Tax Abatement Net Pilot(10 Years)	\$2,448,284
Tax Abatement Net Pilot (15 Years)	\$0
Total Costs	\$2,823,284

BENEFITS

Number of New Employees		7
Economic Impact-Construction	\$12,408,000	
Salary Impact-Construction	<u>\$9,719,600</u>	
Total		\$22,127,600
Economic Impact-Operations	\$843,741	
Salary Impact-Operations	<u>\$724,492</u>	
Total		<u>\$1,568,233</u>
Construction		
Sales Tax Revenues Construction (8.625%)	\$222,956	
Sales Tax Revenues-Wages & Salaries(8.625%)	<u>\$502,989</u>	
Total Sales Taxes		\$725,946
Operations		
Sales Tax Revenues-Wages & Salaries(8.625%)	\$37,492	
Sales Tax Revenues Equipment (8.625%)	<u>\$17,250</u>	
Total		\$54,742
Total Sales Taxes		\$780,688

TOTAL BENEFIT TO THE LOCAL ECONOMY \$23,908,288

Net Cost/Benefit To Local Economy (Plus/Minus) \$564,684

Table 1
TOWN OF HEMPSTEAD IDA- Commercial Economic Impact Model
CONSTRUCTION IMPACT

IDA Project-Construction \$	\$2,585,000
<i>Economic Impact</i>	
Effects of Spending Phase 1	\$2,585,000
Effects of Spending Phase II	<u>\$7,755,000</u>
Total Impact Phase 1 & 2	\$10,340,000
Ongoing Effect	<u>\$2,068,000</u>
Total Impact	\$12,408,000

<i>Economic Impact-Wages & Salaries</i>	
Effects of Spending Phase 1	\$2,326,500
Effects of Spending Phase II	<u>\$6,979,500</u>
Total Impact	\$9,306,000
Ongoing Annual W/S Effect	<u>\$413,600</u>
Total Impact	\$9,719,600

<i>Economic Impact-Jobs</i>	
Effects of Spending Phase 1	31
Effects of Spending Phase II	<u>#REF!</u>
Total Impact	54
Ongoing Annual Job Effect	<u>9</u>
Total Impact	63

<i>Economic Impact-F/S Taxes</i>	
Effects of Spending Phase I	\$581,625
Effects of Spending Phase II	<u>\$1,744,875</u>
Total	\$2,326,500
Ongoing Annual F/S Effect	<u>\$103,400</u>
Total Impact	\$2,429,900

Federal Marginal Rate- 20%, State Marginal Rate 5%\$ Average Total = 25%

Sales Tax Revenues Construction (8.625%) (1)	\$222,956
Sales Tax Revenues-Wages & Salaries(8.625%)(2)	\$502,989
Total Sales Taxes	\$725,946

1 - Sales Tax Revenues -Construction at 60% (2) Revenues assumes 50% consumption

Pilot (Sum 1-3 Years)-10 Years	<u>#REF!</u>
Pilot (Sum 1-3 Years)-15 Years	<u>\$0</u>
Pilot Sum (3-10)	\$2,917,724
Pilot Sum (3-15)	#REF!
Total Net Pilot (3-10)	\$2,448,284
Total Net Pilot (3-15)	\$0

Note: Due to internal rounding, totals may not add up.

Table 2
TOWN OF HEMPSTEAD IDA- Commercial Economic Impact Model
ANNUAL OPERATIONS IMPACT MODEL-COMMERCIAL

IDA Equipment \$	\$200,000
Total Estimated Wages & Salary Cost	
W & S--At time of application	\$0
W & S--Created-Actual	<u>\$179,998</u>
Total Actual Wages & Salaries	\$179,998
Jobs Retained--Original	0
Jobs Created--Actual	<u>7</u>
Total Jobs	7
<i>Economic Regional Impact-Income</i>	
Effects of Spending Phase 1	<u>\$179,998</u>
Effects of Spending Phase II	<u>\$494,995</u>
Total Impact Phase 1 & 2	\$674,993
Ongoing Effect	<u>\$168,748</u>
Total Economic Impact	\$843,741
<i>Economic Impact-Wages & Salaries</i>	
Effects of Spending Phase 1	\$179,998
Effects of Spending Phase II	<u>\$449,995</u>
Total Impact	\$629,993
Ongoing Annual W/S Effect	<u>\$94,499</u>
Total Wage & Salary Impact	\$724,492
<i>Economic Impact-Jobs</i>	
Effects of Spending Phase 1	7
Effects of Spending Phase II	<u>10</u>
Total Impact	16
Ongoing Annual Job Effect	<u>2</u>
Total Job Impact	19
<i>Economic Impact-F/S Taxes</i>	
Effects of Spending Phase I	\$45,000
Effects of Spending Phase II	<u>\$112,499</u>
Total	\$157,498
Ongoing Annual F/S Effect	<u>\$5,906</u>
Total F/S Taxes	\$163,404
Federal Marginal Rate- 20%, State Marginal Rate 5%\$ Average Total = 25%	
Sales Tax Revenues-Wages & Salaries (ATR)(2)	\$37,492
Sales Tax Revenues Equipment (8.625%) (3)	<u>\$17,250</u>
Total Sales Tax Revenues	\$54,742

Note: Due to internal rounding, totals may not add up.

1 - *Equipment not made on L.I. but is taxable.*

2- *Sales Tax Revenues assumes 50% taxable consumption*

2- *Sales Tax Revenues assume 60% abatement*

End of Model

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT
AGENCY

Gateway Group LLC and Gateway Holdings LLC
Project: 2802-16-06A

Application Date: 4/14/16

Contact: Thomas J. Santucci

Applicant Name and Address:

Gateway Group, LLC and Gateway Holdings, LLC
200 Garden City Plaza, Suite 402
Garden City, NY 11530
(Will be vacated once new project is complete)

Project Address:

390 Old Country Road
Garden City, 11530

Project: The client is in contract to purchase a 5,800 square foot, two-story office building located at 390 Old Country Rd., Garden City on approx. .50 acres. The company intends to renovate and upgrade the property. Including but not limited to: construction of an entrance, installation of an elevator and facade work.

Project Costs:

\$1,925,000.00

Land:

\$1,800,000.00

Machinery & Equipment:

\$125,000.00

Employment:

Full and Part Time

Present	26	1
1 st Year	26	1
2 nd Year	27	2

Employment Creation of new 1.5 FTE positions by year 2

Retention of 26.5

Average Estimated Salary Range of jobs to be created: \$75,000.00 - \$90,000.00

Average Estimated Salary Range of jobs to be retained: \$75,000.00 - \$90,000.00

Average Salary of jobs to be created & retained: \$82,500.00

The foregoing includes 10 jobs from the current tenant at the project. (Burns, Russo, Ramigi & Reardon, LLC) They are looking to remain on the property with its current 10 Employees once the purchase/renovations are complete by Gateway.

Benefits Sought: Seeking 15 Year PILOT, Sales Tax Exemption \$125,000.00
MRT \$1.3mm

Recommendation: 10 Year PILOT, Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:
 $\$125,000.00 \times 8.625\% = \$10,781.25$

Current Tax Information:
Section: 34, Block: 5, Lots: (43 – 44)
Parcels: 1
SD- 18

2016

Total Assessed Value: \$8,954.00
Total Market Value: \$895,400.00

Total Current Taxes:
General 2016: \$6,740.70
School 2016/2017: \$26,230.71
Village: \$14,118.00

Total Tax: \$ 47,089.41

PROJECT ABSTRACT
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT
AGENCY

Wood Partners
Project: 2802-16-04A

Application Date: 7/20/15

Contact: Rashid Walker

Applicant Name and Address:

1120 Avenue of the Americas
 4th Floor
 New York, NY 10036

Project Address:

257 Main Street
 Hempstead, NY 11550

Project: The applicant is proposing the development of a 156-unit market rate rental apartment community in the Village of Hempstead. Of the 156 units, 10% shall be considered “Attainable Housing”. The proposed project will contain a mix of studio, one and two bedroom units. The first floor will contain a retail space. The building will be approx. 151,584-sq ft building, with 2,350-sq ft on the ground level being composed of a retail component. The total site is approx. 1.69 acres. The building will consist of 38 Studio Units, 75 One Bedroom Units and 42 Two Bedroom Units.

Project Costs:

\$54,265,570.00

Land:	\$9,150,000.00
Site Work:	\$2,690,397.00
Building:	\$32,984,016.00
Machinery & Equipment:	\$500,000.00
Architectural/Engineering Fees:	\$1,425,000.00
Financial Charges:	\$2,024,037.00
Other (Permit Fees, Taxes and Developer Fee):	\$5,414,120.00
IDA Fee:	\$78,000.00

Employment:

Full and Part Time

Present	0	0
1 st Year	5	0
2 nd Year	4	0

Employment Creation of new 4 FTE positions by year 2 (Jobs go down)
Retention 0
Average Estimated Salary of jobs to be created: \$60,000.00
Average Salary Range for jobs to be created: \$45,000.00 - \$80,000.00

Benefits Sought: Seeking 20 Year PILOT, Sales Tax Exemption, MRT

Recommendation: 10 Year PILOT, Sales Tax Exemption, MRT

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:
 $\$500,000.00 \times 8.625\% = \$43,125.00$

Current Tax Information:

Section: 34, Block: 191, Lots: 4, 15, 103, 116, 203, 9, 114, 318, 317
(The Village sees 103 and 203 as one Lot, the County does not.)
Parcels: 9
SD- 1

2016

Total Assessed Value: \$11,500.00
Total Market Value: \$1,150,000.00

Total Current Taxes:

General 2016: \$ 10,143.57
School 2016/2017: \$ 66,762.20
Village: \$32,240.79

Total Tax: \$109,146.56

*PROJECT ABSTRACT
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
KRM 5 Towns LLC*

2802-16-05A

Date: April 12, 2016

Contact: Barry Binik, Managing Member

Applicant Name and Address:

KRM 5 Towns LLC
1179 East 17th Street, Brooklyn, NY 11230

Project: Acquisition of the leasehold and Renovation of an existing (closed) Supermarket located at 11 Lawrence Lane, Lawrence. The building is approximately 44,500 square feet with 89,000 square feet of parking. The building is in disrepair needing a new roof, refrigeration, flooring, façade, food cases and interior renovations. This is a retail facility with a feasibility study stating over 51% of the customers traveling to the supermarket outside the Town of Hempstead. (See Attached) KRM will be required to purchase the facility from the family trust within 2.5 years.

Project Costs:

Approximate Amount : \$4,382,000.00

Site Work	\$3,900,000.00
Machinery and Equipment	\$ 457,000.00
Architectural/Engineering Fees	\$ 25,000.00

Employment:

Employees

Average Salary

Present

0 (store closing)

Year 1

90 FTE

\$26,000.00 (created jobs)

Year 2

100 FTE

Employment Retention of 0 FTE, Creation of 100 FTE Positions by year 2

Benefits Sought: 15 year PILOT Agreement, Sales Tax Exemption 2 years, Mortgage Recording Tax Exemption for future Fee purchase

Tax Information: 1 lot group

Section 40, Block A, Lot 36 and 37

General Tax: \$95,143.01

School Tax: \$90,055.48

Total Tax: \$185,198.95

Sales Tax: \$457,000.00 x 8.625% = \$39,416.25

***PROJECT ABSTRACT
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
Renaissance Downtowns Urban America LLC***

Date: April 8, 2016

Contact: Sean McLean, Project Manager

Applicant Name and Address:

Renaissance Downtowns Urban America LLC
9 Gerhard Road, Plainview, New York 11803

Project: The proposed phase I project includes the construction of a new 336 unit multi family structure consisting of two five-story 350,000 square foot building and structural renovation of an adjacent three-story parking garage, representing the first phase of the downtown revitalization efforts by the Village of Hempstead. The construction will be on a recently acquired 32 acre parcel (originally owned by the Village and transferred through the CDA). (See attached cover letter addressing the project) All approvals have been granted including zoning, site plan and water availability.

Units: 25 Studio, 234 One Bedroom, 77 Two Bedroom. Rents ranging from \$1,412.00 - \$2,893.00

Expecting 8-10 School Age Children, Using the same formula as 303 Main it would be 8.4 students. Note: 303 Main has generated 0 children to the school district, but has 4 school aged children.

Project Costs:

Approximate Amount : \$91,885,000.00

Land	\$0
Site Work	\$6,000,000.00
Buildings (350,000 square feet)	\$83,100,00.00
Garage Repair and Renovation	\$1,985,000.00

Employment:

Employees

Average Salary

Present

0

Year 2

11

\$37,500.00 (4 sales associates, 2

interior cleaning & grounds keeping, 3 security and 2 maintenance/engineering)

Construction Jobs: 891

Employment Retention of 0 FTE, Creation of 11 FTE Positions once completed

Benefits Sought: 20 year PILOT Agreement, Sales Tax Exemption for 2 years for construction and refurbish of garage, Mortgage Recording Tax Exemption

Tax Information: (2 Parcels)

Section 34, Block 340, Lot 316 and 319 This property was previously owned by the Village of Hempstead and the CDA and therefore generated no taxes. We are awaiting a letter from the Assessor with regard to taxes currently and once project is completed. The Village has assessed the property at \$16,134 for Village tax purposes.

Village Lofts PILOT

4 Parcels
Section 34
Block 404
Lots 22, 27, 28, 45
Village of Hempstead
29 Units
20 Years

Amended after 2015 Review

<u>Year</u>	<u>Total</u>	
2013/2014 School and Village, 2014 General	\$57,000.00	
2014/2015 School and Village, 2015 General	\$57,000.00	
2015/2016 School and Village, 2016 General	\$57,000.00	
2016/2017 School and Village, 2017 General	\$58,000.00	\$55,179.00
2017/2018 School and Village, 2018 General	\$59,500.00	\$55,179.00
2018/2019 School and Village, 2019 General	\$61,000.00	\$56,000.00
2019/2020 School and Village, 2020 General	\$62,200.00	\$56,500.00
2020/2021 School and Village, 2021 General	\$63,500.00	\$57,500.00
2021/2022 School and Village, 2022 General	\$65,000.00	\$58,500.00
2022/2023 School and Village, 2023 General	\$66,750.00	\$59,750.00
2023/2024 School and Village, 2024 General	\$68,250.00	\$61,000.00
2024/2025 School and Village, 2025 General	\$70,000.00	\$62,750.00
2025/2026 School and Village, 2026 General	\$72,250.00	\$64,000.00
2026/2027 School and Village, 2027 General	\$74,500.00	\$65,750.00
2027/2028 School and Village, 2028 General	\$77,000.00	\$67,500.00
2028/2029 School and Village, 2029 General	\$80,500.00	\$70,000.00
2029/2030 School and Village, 2030 General	\$83,000.00	\$72,500.00
2030/2031 School and Village, 2031 General	\$86,000.00	\$75,000.00
2031/2032 School and Village, 2032 General	\$89,500.00	\$77,500.00
2032/2033 School and Village, 2033 General	\$94,000.00	\$80,000.00

This PILOT was approved by the Town of Hempstead Industrial Development Agency Board June 22, 2011. This PILOT will begin with the 2012/2013 School and Village and 2013 General. This PILOT shall expire December 31, 2032.

6/14/11, 6/17/11

Amended 4/5/16

RESOLUTION

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

May 2016 Board Meeting

WHEREAS, the Town of Hempstead Industrial Development Agency had adopted a 2016 board meeting schedule and;

WHEREAS, resolution 062-2015 outlined a schedule of 12 meetings, one per month, to be held in the Old Courthouse, 2nd floor, Old Town Hall, 350 Front Street, Hempstead and;

WHEREAS, the May meeting scheduled for May 25, 2016 at 9:00 a.m. will be changed to May 18, 2016 at 9:00 a.m.

NOW, THEREFORE, BE IT

RESOLVED, that the Town of Hempstead Industrial Development Agency, will change the May 2016 meeting to 9:00 a.m. on May 18, 2016, in the Old Courthouse, 2nd Floor, Old Town Hall, 350 Front Street, Hempstead.

Adopted: April 27, 2016

(eyes)

(nays)

Resolution Number: 026-2016

Chairman: _____