



Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Main Street Hempstead Apartments, LLC

Address: Corporation Trust Center  
1209 Orange Street  
Wilmington DE 19801

Federal Employer ID

Website: www.grubbproperties.com

Owner Officer Certifying Application: Frank Tetel

Title of Officer: Senior Vice President

Phone Number:

E-mail:

B. Business Type:

Sole Proprietorship  Partnership (LIMITED LIABILITY COMPANY)   
Privately Held

Public Corporation  Listed on \_\_\_\_\_

State of Incorporation/Formation: Delaware

C. Nature of Business:

Real Estate Development and Holding Company

D. Owner Counsel:

Firm Name: Rivkin Radler LLP

Address: 926 RXR Plaza  
Uniondale, NY 11566

Individual Attorney: William Cornachio, Esq.

Phone Number: E-mail:

E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

Name	Percent Owned
2020 Grubb Qualified Opportunity Fund, LLC	100%

Clay Grubb is the only member of the 2020 Grubb Qualified Opportunity Fund, LLC who owns 5% of more of the equity therein.

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? **No**
- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? **No**

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

**NONE**

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship: **NOT APPLICABLE**

I. List parent corporation, sister corporations and subsidiaries:

As set forth above, the Applicant is 100% owned by 2020 Grubb Qualified Opportunity Fund, LLC. 2020 Grubb Qualified Opportunity Fund, LLC is a limited liability company organized under and operating pursuant to the laws of the State of Delaware having an office at 4601 Park Road, Suite 450, Charlotte, NC 28209

J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? **NO**

K. List major bank references of the Owner:

Bank of America, Timothy McConnell, \_\_\_\_\_

HomeTrust Bank, Whitney Riddle, \_\_\_\_\_

2. User Data

*\*\*for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user)\*\**

The Project shall be owned 100% by Main Street Hempstead Apartments, LLC, which entity shall also be the landlord/user of the Project.

- A. User (together with the Owner, the "Applicant"): **NOT APPLICABLE**
- B. Business Type: **NOT APPLICABLE**
- C. Nature of Business: **NOT APPLICABLE**
- D. Are the User and the Owner Related Entities? **NOT APPLICABLE**
- E. User's Counsel: **NOT APPLICABLE**
- F. Principal Stockholders or Partners, if any (5% or more equity): **NOT APPLICABLE**
- G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with: **NOT APPLICABLE**
- H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations. **NOT APPLICABLE**
- I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship: **NOT APPLICABLE**
- J. List parent corporation, sister corporations and subsidiaries: **NOT APPLICABLE**
- K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full: **NOT APPLICABLE**
- L. List major bank references of the User: **NOT APPLICABLE**

**Part II – Operation at Current Location**

*\*\* (if the Owner and the User are unrelated entities, answer separately for each) \*\**

Proposed Project shall be a newly constructed building that will be the sole asset owned by Applicant

1. Current Location Address: **NOT APPLICABLE**
2. Owned or Leased: **NOT APPLICABLE**
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.): **NOT APPLICABLE**
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services: **NOT APPLICABLE**
5. Are other facilities or related companies of the Applicant located within the State? **NOT APPLICABLE**
6. If yes to above (“5”), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? **NOT APPLICABLE**
7. Has the Applicant actively considered sites in another state? **NOT APPLICABLE**
8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? **NOT APPLICABLE**
9. Number of full-time equivalent employees at current location and average salary: **NOT APPLICABLE**

**Part III – Project Data**

1. Project Type:

A. What type of transaction are you seeking? (Check one)

Straight Lease  Taxable Bonds  Tax-Exempt Bonds   
Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption  Mortgage Recording Tax Exemption   
PILOT Agreement:

2. Location of project:

A. Street Address: 257 Main Street, Hempstead, New York 11550

B. Tax Map: District: 1 Section: 34 Block: 191 Lot(s): 4, 15, 103, 116, 203, 9, 114, 318, 317

C. Municipal Jurisdiction:

- i. Town: Hempstead
- ii. Village: Hempstead
- iii. School District: SD1

D. Acreage: +/-1.69 acres

3. Project Components (check all appropriate categories):

A. Construction of a new building  Yes  No

i. Square footage: approximately 151,584 square feet

B. Renovations of an existing building  Yes  No

i. Square footage: **NOT APPLICABLE**

C. Demolition of an existing building  Yes  No

i. Square footage: +/- 1000 square feet

D. Land to be cleared or disturbed  Yes  No

i. Square footage/acreage: **NOT APPLICABLE**

E. Construction of addition to an existing building  Yes  No

i. Square footage of addition: **NOT APPLICABLE**

ii. Total square footage upon completion: **NOT APPLICABLE**

F. Acquisition of an existing building  Yes  No

i. Square footage of existing building: **NOT APPLICABLE**

G. Installation of machinery and/or Equipment  Yes  No

i. List principal items or categories of equipment to be acquired:

Mechanical Components, Elevator System, Signage, HVAC, Sanitary Sewer System, Gas Utility Components; Electric Utility Components, Plumbing System and related equipment.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? No- Applicant is party to executory contracts, a condition precedent of which is financial assistance from the Agency.

i. If no, please list the present owner of the site:

<u>Owner</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Phone Number</u>
46 Old Franklin LLC	34	191	9	Lexus of Smithtown, 700 Middle Country Road, Saint James, NY 11780	
265-44 Franklin Realty Corp	34	191	114	Lexus of Smithtown, 700 Middle Country Road, Saint James, NY 11780	
265-44 Franklin Realty Corp	34	191	318	Lexus of Smithtown, 700 Middle Country Road, Saint James, NY 11780	
P.A. Borelli and Associates	34	191	317	Lexus of Smithtown, 700 Middle Country Road, Saint James, NY 11780	
Main View LLC	34	191	4	7 Ira Road, Suite 393, Syosset, NY 11791	
Main View LLC	34	191	15	7 Ira Road, Suite 393, Syosset, NY 11791	
Main View LLC	34	191	103	7 Ira Road, Suite 393, Syosset, NY 11791	
Main View LLC	34	191	116	7 Ira Road, Suite 393, Syosset, NY 11791	
Main View LLC	34	191	203	7 Ira Road, Suite 393, Syosset, NY 11791	

B. Present use of the proposed location: The site is being used for (i) storage for auto dealerships and (ii) religious purposes.

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?)  Yes  No

i. If yes, explain: **NOT APPLICABLE**

D. Is there a purchase contract for the site? (if yes, explain):  Yes  No

Applicant has entered into a contract to acquire the site. The terms of such contract are trade secrets and are confidential but may be disclosed to the Agency provided the details of the contract are exempt from any disclosure request made pursuant to (i) Article 6 the New York State Public Officers Law, (ii) disclosure requests made in the context of litigation or (iii) similar requests to the foregoing.

E. Is there an existing or proposed lease for the site? (if yes, explain):  Yes  No

Proposed Use:

- F. Describe the specific operations of the Applicant or other users to be conducted at the project site:

The Applicant is proposing to develop the site as a mixed-use property that is projected to comprise 173 residential rental units and 2,258 square feet of ground floor retail space with on-site parking. Ten Percent, or seventeen, of the residential units will be set aside as "Attainable Housing" as required and governed by § 139-212 of the Zoning Code of the Village of Hempstead.

- G. Proposed product lines and market demands:

The proposed development will provide housing to young professionals and residents seeking to downsize from larger homes.

- H. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

As set forth above, the proposed development comprises residential rental units and ground floor retail space. The rental units will be leased to prospective residents of the community and the retail space will be leased to commercial tenants, all of whom are unknown to the Applicant at this time.

- I. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

As has been reported in The Long Island Multifamily Housing Study conducted by HR&A Advisors, the severe shortage of quality rental housing in Nassau County is the main cause of the mass exodus of young people from Long Island. The mass departure of young people results in a shortage of employable talent for local businesses, an evaporation of a significant consumer base and a loss in sales tax revenue. The proposed project will bring needed quality rental housing to the Village of Hempstead and assist in the revitalization of the Village's Downtown District. By doing so, the proposed project will increase revenues to both the Town of Hempstead and Village of Hempstead.

- J. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location?            **X Yes**            No

- i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location? As currently designed, there will likely be two retail businesses established with the property's boundaries that will aggregate approximately 2% of the square feet of the constructed project which area is attributable to less than 10% of the total Project cost. The Project is exempt from the retail prohibition set forth in §862(2)(a) of the New York State General Municipal Law because (i) the allocated square feet and cost of the retail area is well below the prohibited retail percentage codified in §862(2)(a) of the New York State General Municipal Law and (ii) the Project is exempt from the retail prohibition pursuant to §862(2)(b)(ii) of the General Municipal Law of the State of New York because it



is located in a highly distressed area, as such term is defined by §854(18) of the General Municipal Law of the State of New York.

5. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

- |      |                 |       |                          |    |                                     |            |       |
|------|-----------------|-------|--------------------------|----|-------------------------------------|------------|-------|
| i.   | Site Clearance: | Yes   | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| ii.  | Foundation:     | Yes   | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iii. | Footings:       | Yes   | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| iv.  | Steel:          | Yes   | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| v.   | Masonry:        | Yes   | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | % COMPLETE | _____ |
| vi.  | Other:          | _____ |                          |    |                                     |            |       |

B. What is the current zoning? B1

C. Will the project meet zoning requirements at the proposed location?

Yes  No

D. If a change of zoning is required, please provide the details/status of the change of zone request: The project is permitted as-of-right per the zoning code of the Village of Hempstead; therefore, no change of zone is required. **NOT APPLICABLE**

E. Have site plans been submitted to the appropriate planning department? Yes  No

Pursuant to the Village of Hempstead's planning process, the site plan approval is incorporated into the Resolution of the Planning Board and is attached hereto.

6. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

- i. Acquisition: estimated March 2021
- ii. Construction/Renovation/Equipping: June 2021

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: The project will be complete in December, 2023 and the first use of the project is expected to occur at the same time.

**C. Part IV – Project Costs and Financing**

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ 10,000,000
Building(s) demolition/construction	\$ 37,000,000 <sup>1</sup>
Building renovation	\$ 0
Site Work	\$ 3,000,000
Machinery and Equipment	\$ 3,500,000
Legal Fees	\$ 250,000
Architectural/Engineering Fees	\$ 1,500,000
Financial Charges	\$ 1,800,000
Other: Land Planning, Marketing Contingency	\$ 3,500,000
Total	\$ 60,550,000

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	<b>NOT APPLICABLE</b>	
B. Taxable bond financing:	<b>NOT APPLICABLE</b>	
C. Conventional Mortgage:	\$39,357,500 <sup>2</sup>	30 years
D. SBA (504) or other governmental financing:	<b>NOT APPLICABLE</b>	
E. Public Sources (include sum of all State and federal grants and tax credits):	<b>\$ NOT APPLICABLE</b>	
F. Other loans:	<b>\$ NOT APPLICABLE</b>	
G. Owner/User equity contribution:	\$ 21,192,500 <sup>3</sup>	
Total Project Costs	\$ 60,550,000	

<sup>1</sup> This is an estimated amount. The costs of construction may increase to \$42,000,000.

<sup>2</sup> This is an estimated debt amount. The amount of debt may increase to \$42,607,500.

<sup>3</sup> This is an estimated equity amount. The amount of equity may increase to \$22,942,500.

- i. What percentage of the project costs will be financed from public sector sources?

0%

3. Project Financing:

- A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes  No

- i. If yes, provide detail on a separate sheet. **NOT APPLICABLE**

- B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details: **NOT APPLICABLE**

- C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details: **NOT APPLICABLE**

- D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom: **NOT APPLICABLE**

**Part V – Project Benefits**

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

Estimated to be \$39,357,500.<sup>4</sup>

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and 1.05%):

\$413,254<sup>5</sup> (This amount does not carve out the exemption for mortgage recording tax attributable to the additional tax imposed by §253(2)(a) of the Tax Law of the State of New York because the Project is located in the metropolitan commuter transportation district and is not so exempt pursuant to § 252(2) of the Tax Law of the State of New York).

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$39,251,917

- B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

<sup>4</sup> This is an estimated debt amount. The amount of debt may increase to \$42,607,500.

<sup>5</sup> This is an estimated amount. The requested mortgage tax exemption could be in the range of \$413,254-447,378 depending on the financing of the proposed Project.

\$3,385,477.84

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above: **NOT APPLICABLE**

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: **NOT APPLICABLE**

B. Agency PILOT Benefit:

i. Term of PILOT requested: 25 years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

*\*\* This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.\*\**

**Part VI – Employment Data**

1. List the Applicant's and each users present employment, and estimates of (i) employment **at the proposed project location** at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area\* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	0	5	4	100%
Part-Time**	0	0	0	N/A

\* The Labor Market Area includes the County/City/Town/Village in which the project is located as well Nassau and Suffolk Counties.

\*\* Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Salary Wage Earners	\$60,000.00	\$20,000.00
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

In addition, it is anticipated that the Project shall generate over 100 construction and construction-related jobs.

**Part VII – Representations, Certifications and Indemnification**

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes                  No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)

Yes                  No

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes           No

The financial assistance for the Town of Hempstead IDA is required to make the project financeable and economically viable. Without the requested financial assistance, the Applicant will not build the Project.