
IN THE MATTER OF A NOTICE OF PUBLIC HEARING
RE: CASTLE LANTERRA ACQUISITIONS, LLC

350 Front Street Hempstead, New York
September 13, 2021 9:30 a.m.
B E F O R E:
MICHAEL LODATO, Hearing Officer
Dolly Fevola, Court Stenographer
$\begin{array}{llllllllllll}A & P & P & E & A & R & A & C & S & \end{array}$
TOW OF OYSTER BAY
INDUSTRIAL DEVELOPMENT AGENCY
350 Front Street
Hempstead, New York 11550
BY: FREDERICK E. PAROLA, CFO
JAMAL SCOTT, Asst. Supt. Bus Operations
JESSIE HINEY, Farrell Fritz, Esqs.

## ALSO PRESENT:

Castle Lanterra 303 Main St 3
HEARING OFFICER LODATO: The
time is 9:30 a.m. My name is
Michael Lodato. I'm the Deputy
Executive Director. I'm a
accompanied by Frederick E. Parola who is the CEO of the Town of Hempstead IDA.

We're opening this meeting
regarding Castle Lanterra
Acquisitions, LLC at a property
located at 303 Main Street in
Hempstead, 11550. I will now read the Notice of Public Hearing.

Notice is hereby given that a public hearing pursuant to Title I of Article 18-A of the New York General Municipal Law will be held by the Town of Hempstead Industrial Development Agency (the "Agency"), on the 13 th day of september, 2021 , at 9:30 a.m., local time, at 350 Front Street, 2nd Floor, Hempstead, New York, in connection with the following matters:

$$
\text { Castle Lanterra } 303 \text { Main St } 4
$$

The Agency has previously
assisted in the acquisition of an approximately 1.763 acre parcel of land located at 303 Main Street, town of Hempstead, Nassau County, New York (the "Land"), and the existing 166 unit four-story residential rental building located thereon (the "Improvements" and "Equipment"), totaling approximately 212,000 square feet (the Land, Improvements and Equipment, are collectively, the "Facility"), and leased by the Agency to VIF II/Main 303, LLC, a Delaware limited liability company authorized to transact business in the state of New York (the "Original Company") and used by the Original Company to provide market-rate rental
apartments (the "Project"), pursuant
to Lease Agreement, dated as of

April 1, 2011 (the "Original Lease Agreement"), by and between the

Castle Lanterra 303 Main St 5
Agency, as lessor, and the Original Company, as lessee.

The Agency previously consented to a request by 303 Main Street

Apartments Investors LLC ("303 Main Street Apartments"), to the assignment by the Original Company of all its rights, title interest and obligations under the Original Lease Agreement and certain other agreements in connection with the Facility to 303 Main Street Apartments, and the assumption by 303 Main Street Apartments of all such rights, title, interest and obligations of the Original Company and the release of the Original

Company from any further liability with respect to the Facility under the Original Lease Agreement subject to certain requirements of the Agency.

Castle Lanterra Acquisitions LLC, a Delaware limited liability

Castle Lanterra 303 Main St 6 partnership, on behalf of itself and/or the principals of Castle Lanterra Acquisitions LLC and/or an entity formed or to be formed on behalf of the foregoing investors procured by the foregoing (collectively, the "New Company"), has now requested the Agency's consent to the assignment by 303

Main Street Apartments of all its rights, title, interest and
obligations under the Original Lease Agreement, as amended and assigned, and certain other agreements in connection with the Facility to the New Company, and the assumption by the New Company of all such rights, title, interest and obligations of 303 Main street Apartments, and the release of 303 Main Street

Apartments from any further
liability with respect to the
Facility under the Original Lease Agreement, as amended and assigned,

Castle Lanterra 303 Main St 7 subject to certain requirements of the Agency. Upon such assignment, the Facility will be initially owned, operated and/or managed by the New Company.

The Agency contemplates that it will provide financial assistance to the New Company in the form of exemptions from mortgage recording taxes in connection the financing or any subsequent refinancing of the Facility and continued abatement of real property taxes pursuant to terms of the Original Lease Agreement, as amended and assigned, and as assigned by 303 Main Street Apartments to the New Company in accordance with an assignment and assumption agreement, ans assignment of lease, and a seconded amended and restate lease agreement, all
consistent with the uniform tax exemption policies ("UTEP") of the Agency.

Castle Lanterra 303 Main St 8
A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with view in favor of or opposed to either the proposed financial assistance to the New Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the New Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

Dated: September 2, 2021 .
Town of Hempstead Industrial
Development Agency by Frederick E. Parola, Chief Executive Officer.

If anyone would like to speak on the record, please come up, state your name and where you're from and if you could just either wear your mask or however everyone is

Castle Lanterra 303 Main St 9 comfortable.

MR. SCOTT: Good morning. My
name is Jamal Scott. I'm the
Assistant Superintendent for
Business and Operations for the Hempstead School District.

I have a couple of questions in reference to, I guess, this is a new ownership for this property?

HEARING OFFICER LODATO:
Correct, an assignment and assumption.

MR. SCOTT: Was the old owner on a PILOT? How long is that PILOT for? Is it already concluded or are they picking up?

HEARING OFFICER LODATO: This applicant is picking up the remaining years. That PILOT has 11 years remaining on the PILOT.

MR. SCOTT: So do they pick up at the same rate or are they asking for more?

HEARING OFFICER LODATO: Same

Castle Lanterra 303 Main St 10 rate. Everything stays the same.

MR. SCOTT: Do we know how much that is? I'll get the payment schedule.

HEARING OFFICER LODATO: Yes.
MR. SCOTT: I don't know if you have it.

HEARING OFFICER LODATO: I have a copy here. I can't give it to you but you can definitely look at it. You can take a photo.

MR. SCOTT: Yes, but it doesn't break down who gets what, right?

MR. PAROLA: It will be a percentage of the normal payment that the school would receive were there no PILOT in effect. So if you get the market -- if the school district gets 58 percent in one year and 57 percent the next year, they will accordingly get that amount of the total of the PILOT. We don't give it a set amount because it varies each year.

Castle Lanterra 303 Main St 11
MR. SCOTT: So we don't know
what percentage that the school
district gets?
MR. PAROLA: You should know that.

MR. SCoTT: Well, I don't know. I'm not going to say that $I$ do know because...

MR. PAROLA: You have to call
the Town of Hempstead Receiver of Taxes in terms of the percentage that you receive.

MR. SCOTT: The problem is we get it in chunks. We don't get it individually. We get all our pilots at one time. We never get like one at a time. So when we receive the money, we don't get it one at a time so that's why I need the payment schedule.

HEARING OFFICER LODATO: I think, correct me if I'm wrong, he's saying when the disbursement goes to the school, it's every project in

Castle Lanterra 303 Main St 12

Hempstead School District.
MR. PAROLA: You get a bulk check.

MR. SCOTT: Right. We don't get a break down that's the problem. That's why I'm trying to figure out what is what.

MR. PAROLA: Okay.
MR. SCOTT: We're trying to
figure it out to understand it a little better.

So let me ask you. So after this PILOT is over, $I$ know a lot of companies that request additional pilots. When an additional PILOT is requested, is it more equivalent to the market rate, the value of the property, or is it lowered again?

HEARING OFFICER LODATO: If the applicant looks to reapply and extend the benefit, they would have to make some kind of substantial investment to warrant extending that benefit.

Castle Lanterra 303 Main St 13
Normally, the Board will not extend benefits again unless the applicant were to come back and say, we're investing $X$ and we need to redo the whole building and it's going to be a large sum of money; otherwise, once it's over it would go fully back on the tax roles. Thank you. I appreciate it.

MR. PAROLA: If you call tomorrow, she'll be in tomorrow.

MR. SCOTT: Like I said, we don't get a breakdown and in order for us to -- I'm a new assistant superintendent for business there. I'm going on my second year so I want to make sure that $I$ have a clear understanding of what the revenue we're expected is so I can do the budget properly. So you'll probably see me coming to most all of them. Not that $I$ want to, I have to.

HEARING OFFICER LODATO: We'll

$$
\text { Castle Lanterra } 303 \text { Main St } 14
$$ leave the meeting open another 5 to 7 minutes if someone else would like to speak if they arrive late.

(Whereupon, a recess was taken.)

HEARING OFFICER LODATO: We're observing that we've held the meeting open for a little over 25 minutes. If no one else is here to speak, which no one is, we would like to close the meeting on Castle Lanterra sine die. Thank you everyone.
(Time noted: 9:55 a.m.)

CERTIFICATION
I, DOLLY FEVOLA, a Notary Public in
and for the State of New York, do hereby certify:
THAT the within transcript is a true record
of the testimony given by said witness.
I further certify that $I$ am not related, either by blood or marriage, to any of the parties to this action; and

THAT I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of September, 2021 .


DOLLY FEVOLA




