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IN THE MATTER OF A
NOTICE OF PUBLIC HEARING
RE: $\quad 110$ GRAHAM REALTY, LLC

Nathan Bennett Pavilion
1 Washington Street
Hempstead, New York
February 16, 2023 9:30 a.m.
B E F O R E:
MICHAEL LODATO, Deputy Executive Director
LAURA TOMEO, Deputy Agency Administrator
Dolly Fevola, Court Reporter

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    A P P P E A A R A N C E S :
    TOWN OF HEMPSTEAD
    INDUSTRIAL DEVELOPMENT AGENCY
                            350 Front Street
    Hempstead, New York 11530
ALSO PRESENT:
HON. KEVIN D. BOONE
JOHN R. DICIOCCIO
JAYLETTE WILLIAMS
JAMAL SCOTT
BRADLEY HINTON
KELLY V.
TERRY WINSTON
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MR. LODATO: Good morning. My
name is Michael Lodato. I'm with
the Town of Hempstead Industrial
Development Agency. I'm the Deputy Executive Director. I'm observing it's 9:43 a.m. on Thursday, February 16th. We're here for the public hearing of 110 Graham. I will now read the Notice of Public Hearing into the record for the stenographer. We're also live streaming this meeting.

Notice is hereby given that a Public Hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by Town of Hempstead IDA on the 16th day of February, 2023, at 9:30 a.m., local time, at Nathan L. H.

Bennet Pavilion, 1 Washington Street, Hempstead, New York, in connection with the following matters:

The Agency previously provided
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its assistance to 110 Graham Realty LLC, a limited liability company duly authorized and validly existing under the laws of the state of New York (the "Company.") with a certain industrial development facility which consisted of the acquisition of an approximately 3.8 acre parcel of land located at 110 West Graham Avenue, Village of Hempstead, Town of Hempstead, New York (the "Land"), and the construction, renovation and equipping thereon of an existing approximately 83,400 , square foot building, together with an approximately 12,445 square foot addition totaling an approximately 98.755 square foot facility includes a two-story building with indoor parking, and the installation of certain equipment including, but not limited to, lifts, air compressors, prep equipment, office furniture and car wash equipment (collectively,

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the "Original Improvements" and "Original Equipment"; and, together with the Land, the "Original

Facility"), all subleased by the Company to the Agency and sub-leased by the Agency to, and used by, the Company in the operation of $a$ Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as the relate to the acquisition, renovation and equipping of such Original Facility, whether or not any materials or supplies described below are incorporated into or are an integral part of such Original

Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Original Facility, (ii) all

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purchases, rentals, uses or
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consumption of supplies, materials
and services of every kind and
description used in connection with
the acquisition, renovation and
equipping of the Original Facility,
and (iii) all equipment, machinery
and other tangible personal property
(including installation costs with
respect thereto) installed or placed
in, upon or under such Original
Facility (the "Original Project").
The Company has submitted a
request to the Agency for financial
assistance and a modification and
extension of the abatement or real
property taxes on the Original
Facility for a term of up to two
additional years (the "PILOT
Extension"), in connection with the
renovation and equipping of the
Original Improvements, together with
the acquisition and installation of
furniture, fixtures and equipment

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(the "2022 Improvements" (and
together with the Original
Improvements, the "Improvements"), and the "2022 Equipment" (and together with the Original

Equipment, the "Equipment"); and together with the Land, the "2022

Facility", and the 2022 Facility
together with the Original Facility, the "Facility"), all to be subleased by the Company to the Agency and subleased by the Agency to, and continued to be used by, the Company in the operation of a Mercedes Benz, USA dealership offering sales of new and used automobiles and service of automobiles to its customers, including the following, as they relate to the acquisition, renovation and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such

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Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility, and (iii) all equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or placed in, upon or under such Facility (the "2022 Project", and together with the Original Project, the
"Project"). The Facility will
continue to be owned, operated and/or managed by the Company.

The Agency has previously acquired a leasehold interest in the

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Original Facility, and will continue to lease and sublease the Facility to the Company. The Agency contemplates that it will continue to provide financial assistance to the Company in the form of exemptions from sales and use taxes, exemptions from mortgage recording taxes, and the modification and extension of current abatements of real property taxes, consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all person with views in favor of or opposed to either the proposed grant of financial assistance to the Company by the Agency or the location or nature of the Facility. Prior to the hearing, all persons will have the opportunity to review on the Agency's website

Proceedings-110 Graham Realty 10 (https://tohida.org/) the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the construction and ongoing operation of the proposed Facility.

If anyone would like to be heard, please step up. State your name for the stenographer, please, and we're going to give everyone 3 minutes to speak.

Thank you.
MR. DiCIOCCIO: Good morning.
My name is J.R. DiCioccio. I'm with
the law firm of Greenberg \& Traurig.
We represent the applicant with
respect to this application today.
The applicant is 110 Graham Realty, L.L.C. They are seeking a two-year PILOT extension for an existing

Mercedes Benz facility. As part of this application, the company is prepared to expend approximately 1.5

Proceedings-110 Graham Realty 11 million dollars to improve the facility.

I'm here today just to listen to the public comments, take any questions back to my clients, and hopefully have answers prepared for the upcoming board meeting.

Thank you.
MR. LODATO: Thank you.
MS. WINSTON: Good morning. My
name is Terry Winston. I'm a
homeowner in the Village of
Hempstead for approximately 29 years
and over the years I've seen PILOTS increase. These PILOTS are given to
the businesses that cannot afford their fair share of taxes. I would
like to know that as a homeowner I've invested in these businesses because my tax dollars are subsidizing these businesses. When am I going to cash in on my investment?

They make promises that they

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don't keep, but all the PILOTS that
Hempstead has and, of course, with
the extensions, Hempstead should
look and be in a lot of a better financial situation with as far as the residents, the schools and the Village itself. I don't think it's fair that Hempstead has been bombarded with all these PILOTS.

MR. SCOTT: Good morning. My name is Jamal Scott. I'm the

Assistant Superintendent for
Business for Hempstead Public
Schools. I just have a couple of questions and one of the questions is, in relation to the company
getting back all the tax on the regular taxes, what's the difference of how much it would be for the regular property taxes in comparison to the PILOT? How much are we paying? What's the difference? Did I miss it? Is it here?

MR. LODATO: In the cost

Proceedings-110 Graham Realty 13 benefit analysis that was on the website, I'm not sure if you downloaded that one but --

MR. SCOTT: No, I didn't get an opportunity to do that.

MR. LODATO: -- there is an estimate that if we did not do the PILOT program, the taxes would be around 410,000 and with the PILOT they are 400,000 in the first year so it's a $\$ 10,000$ difference.

MR. SCOTT: So my question is,
I don't understand the purpose of the PILOT if it's only a $\$ 10,000$ difference. And from my understanding, the company that exists that is asking for the PILOT is a profitable business. What's the purpose of this request?

MR. LODATO: That's something that's between the company and their finances that they would have to...

MR. SCOTT: Figure out.
MR. LODATO: Yes. It makes

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sense to them, obviously.
MR. SCOTT: And the
decisionmaking from our perspective, from the IDA's perspective, I think we need to look into that. If we're looking at a business that is profitable and has been profitable over the years, why are we extending a PILOT for additional years if it's a $\$ 10,000$ difference. There has to be something more to it so I think we need to look into that before a decision made.

MR. LODATO: There is also a sales tax benefit they are seeking so the purchases that they are making will be sales tax exempt, so that is probably another reason that they are seeking it.

MR. SCOTT: So all of that wholistically, $I$ think we need to look at it from a bigger picture perspective.

MR. LODATO: Thank you very

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much.

Good morning, Mr. Oppenheimer.

MR. OPPENHEIMER: Good morning.
Good morning all. I think I'm at 2: 26 .

MR. LODATO: The timer is giving us an issue. We're going to use our phones.

MR. OPPENHEIMER: Can you just repeat the difference on that because I'm looking at some materials from December showing a much wider difference in the proposed PILOT versus total tax if not within a PILOT.

MR. LODATO: The cost benefit analysis has a $\$ 410,746$ amount as an estimate for what the taxes would be and the PILOT payments starts at $\$ 400,000$ flat.

MR. OPPENHEIMER: Okay. So
first let me just state for the record, I'm Dan Oppenheimer. I'm speaking as a Village resident, not

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in an official capacity.
But what I'm seeing is a
difference -- a discrepancy between total tax numbers from documents that were submitted in December and the current. I know that the applicant is disputing or potentially disputing the assessment so that has to be cleared up, I think, before we really look at what is the difference between with tax and without tax.

MR. LODATO: The applicant has provided us an appraisal, as well as an opinion letter which points to
the 410,000 figure. The cost benefit analysis that was previously provided to the Board members like yourself has been amended to reflect those figures and is up on the website for you to review. And we will obviously send you a copy before the meeting.

MR. OPPENHEIMER: Thank you

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very much. So here is some of my feelings on this. The applicant
business has strived under the assistance of the IDA over the last 10 years. They accomplished everything that they were required to in terms of the employment. As a thriving business it's a multi-billion dollar international company. The PILOT accomplished what it was intended to do. Now they are asking -- and this is in my interpretation of it -- for us to cover the cost of doing business.

Now, is that the proper
responsibility of the IDA? The fiduciary responsibility of the IDA is to the locality in which the project is, it's not to the business person. If first you satisfy the responsibility to the locality and it benefits the business then that is, I think, the best result that you can get. But if you don't meet

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the one first, you can't do the second one.

So they clearly did accomplish what they were asked in the past. We can't say that without knowing for certain what the appraisal amount is going to be going forward on this.

Also, in terms of their employment numbers, it was pointed out that they exceeded by far the number of new jobs that they were supposed to create with this project, but we don't know how many of those are people who reside in the 11550 area code and $I$ don't know if the representative would be able to answer that today. That is a really important part of the job picture.

They are mentioning that a
total increase of 10 full-time
employment positions over the next
2 years. If those were Town of

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Hempstead jobs, that's a big
difference than ten Village of
Hempstead jobs. That's a big
difference than 10 non-Village jobs. Thank you.

MR. LODATO: Mr. Oppenheimer, I'm going to reference something from the application here. It looks like the labor market area, which is not specifically Hempstead Village, references 89 jobs coming from the labor market area out of the 96 or out of the 106 , $I$ guess. So that's the difference. But, again, like you're stating, that does not specifically mean Village of Hempstead.

MR. OPPENHEIMER: Correct. Thank you.

MR. LODATO: God morning, Mr. Johnson.

MR. JOHNSON: Good morn, Sir.

My name is Lamont E. Johnson. I'm a 51-year resident of Hempstead, New

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York. My address is 12 Roosevelt Street in Hempstead. I'm against this extension of the PILOT. It really serves no need for the Village. It does not help the Village in any way.

As other speakers have said, Mercedes Benz is a franchisee. They are an international company with billions and billions of dollars in profit. Furthermore, the name of the place says Lake View so I don't see how it benefits the Village of Hempstead in any way.

I was against the PILOT that
Mazda had years ago. They made several promises about apprenticeship for young people and training that never happened and never materialized. I was against that because they are a franchisee and they do not need the money.

They are very profitable. And besides a few gates, white fences

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that were put along west Graham and a few other areas, those fences have -- it's been more than 11 years -- those fences are all falling down so it brings nothing to the community. It doesn't make the community look better, and I don't believe that any people that's from the Village of Hempstead are being employed by Mercedes Benz so I would like their representative to explain -- It's really kind of outrageous what the rents that people pay in the apartments and the mortgages that people pay in

Hempstead that a company such as Mercedes would come to Hempstead and think that they deserve -- They already have a PILOT and now they want an additional PILOT and $I$ think it's absurd and really outrageous and a few other words and I don't agree with it.

The Hempstead School

Proceedings-110 Graham Realty 22 District -- Hempstead High School is right across the street. I don't think Mercedes Benz has been a great partner. They have not offered any programs to help students learn how to work on Mercedes or anything like that, so $I$ don't think they have been a great partner for the Village of Hempstead.

It looks good but it says -- I believe it says Lake View Mercedes, whatever it says, but it doesn't really associate with Hempstead. They want Hempstead to give them a PILOT but they don't want to give anything back in return and as a taxpayer I'm against it.

MR. LODATO: Thank you. Mr. Boone.

MR. BOONE: Good morning. How are you? Kevin Boone, Village of Hempstead resident. You need my address?

THE REPORTER: If you'd like to

Proceedings-110 Graham Realty 23 give it.

MR. BOONE: 40 West Orchard Street, Hempstead, New York.

Based on what we've been hearing today, this business has been profitable $I$ would say over the last 10 years that they have had this PILOT. For an extension, the cost of doing business is not the Village of Hempstead's business to look into or handle. It's not fair to the residents of the Village of Hempstead and I'm definitely not for the extension of the PILOT.

I believe, at this time, they have had enough, you know, more than enough time where they are cash fluid where they can pay their taxes or the cost of doing business from here on in so an extension for two years is something that $I$ really don't believe they need.

On top of that, when it comes
down to the school district or

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anything else, the Hempstead residents have not benefited, the school district has not benefited, and it says Rockville Centre Mercedes Benz, which has nothing to do with the Incorporated Village; so therefore, $I$ do not see any point or any rhyme or reason why we should extend this benefit just for the cost of doing business where it's not helping our residents or anyone else in the Village at all.

MR. LODATO: Thank you.
Would anyone else like to be heard?

MS. WILLIAMS: Good morning. Jaylette Williams, 99 Mason Street, Hempstead, New York.

I would simply like to know, based on the responses that you received in this hearing, what will be your next steps as far as the feedback that you have received from myself and my fellow Village

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And also, I would like to hear from the attorney what his analysis is of the discussion that we have had today, and I'm going to request that he come forward if that's appropriate.

MR. LODATO: Because we're just staff here, as you know, we don't make the decisions and so between the stenographer capturing the minutes and the live stream that I will as well provide to all the Board members, we will express exactly what's on the record to them and it's kind of up to the Hempstead Board and the regular IDA Board to make their decision and the determination on all the facts laid in front of them.

MS. WILLIAMS: Do you think
that this agenda item would be presented at the next formal IDA Board meeting?

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MR. LODATO: Yes. I expect
this to be on the February 28 th
agenda for authorization.
MS. WILLIAMS: Thank you.
MR. LODATO: As far counsel
answering any of your questions, we normally don't do a back and forth. It's really more for the public just to appear. If he would like to, he may but that's up to him.

MS. WILLIAMS: I accept that.
MR. LODATO: Thank you.
MR. DiCIOCCIO: Mr. John
DiCioccio. I will take all the comments made today and I'll take them back to my client. We will do our best to address them at the Board meeting.

Thank you.
MR. LODATO: Thank you. Would anyone else like to be on the record and heard?

We're going to stay on for
another 5 minutes in case anyone

Proceedings-110 Graham Realty 27 else comes in.
(At this time, a brief recess
was taken while awaiting any further comments from anyone in attendance.)

MR. LODATO: We're going to close this meeting. I am observing it's 10:10 a.m. on February the 16 th
for the Town of Hempstead IDA 110 Graham Realty, L.L.C. project.

Thank you everyone for your comments and input. We will make sure that the Board has all this available to them for their decision.

Thank you and have a good morning. I'm now closing this meeting sine die. Take care.
(Time noted: 10:10 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 my stenographic notes.

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 20 th day of February, 2023.


DOLLY FEVOLA





