

Updated
Redacted

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

PROJECT APPLICATION

3/22

DATE: May 30, 2025 (Amended 8/26/25)

APPLICATION OF: HEMPSTEAD PRESERVATION, LLC
Name of Owner and/or User of Proposed Project

ADDRESS: C/O HUDSON VALLEY PROPERTY GROUP
200 VESEY STREET- FLOOR 24
NEW YORK, NY 10281

CONTACT: CRAIG SUDAN

PHONE NUMBER: 917-398-4100

EMAIL ADDRESS: CRAIG@HVPG.COM

FAX NUMBER: 917-398-1401

Type of Application: Tax-Exempt Bond Taxable Bond
 Straight Lease Refunding Bond
 Special Straight Lease

*Town of Hempstead Industrial Development Agency
350 Front Street, Rom 234A
Hempstead, New York 11550
516-489-5000 extension 4200*

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Hempstead Preservation, LLC

Address: c/o Hudson Valley Property Group
200 Vesey Street- Floor 24
New York, NY 10281

Federal Employer ID #: _____ Website: N/A

Owner Officer Certifying Application: Jason Bordainick

Title of Officer: Authorized Signatory

Phone Number: _____ E-mail: _____

B. Business Type: *Limited Liability Company* **X**

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: Delaware

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Real Estate Holding Company

D. Owner Counsel:

Firm Name: Forchelli Deegan Terrana Law

Address: 333 Earle Ovington Blvd
Suite 1010

Uniondale, NY 11553

Individual Attorney: Daniel P. Deegan, Esq

Phone Number: _____ E-mail: _____

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

Name	Percent Owned
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HVPPF Hempstead Investor, LLC

99.99%

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? (if yes, please explain)

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

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.

N/A

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:

No

I. List parent corporation, sister corporations and subsidiaries:

N/A

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? (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:

No

K. List major bank references of the Owner:

JPMorgan Chase-

2. User Data N/A

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

A. User (together with the Owner, the "Applicant"): N/A

Address: N/A

N/A

Federal Employer ID #: N/A

Website: N/A

NAICS Code: N/A

User Officer Certifying Application: N/A

Title of Officer: N/A

Phone Number: N/A

E-mail: N/A

B. Business Type:

Sole Proprietorship

Partnership

Privately Held

Public Corporation

Listed on N/A

State of Incorporation/Formation: N/A

C. Nature of Business:

(e.g., "manufacturer of ____ for ____ industry"; "distributor of ____"; or "real estate holding company")

N/A

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

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:

N/A

J. List parent corporation, sister corporations and subsidiaries:

N/A

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:

N/A

L. List major bank references of the User:

N/A

Part II – Operation at Current Location

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

N/A APPLICANT IS NOT CURRENTLY OPERATING AT THE LOCATION

1. Current Location Address: _____

2. Owned or Leased: _____
N/A

3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.): _____
N/A

4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services: _____
N/A

-
5. Are other facilities or related companies of the Applicant located within the State?
Yes No

A. If yes, list the Address: N/A

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? Yes No

A. If no, explain how current facilities will be utilized: N/A

- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

N/A

7. Has the Applicant actively considered sites in another state? Yes No

A. If yes, please list states considered and explain: N/A

8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No

A. Please explain: N/A

9. Number of full-time equivalent employees at current location and average salary:

N/A

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: 100 Terrace Avenue, Hempstead, NY 11550

B. Tax Map: District 01 Section 034 Block 291 Lot(s) 0078

C. Municipal Jurisdiction:

- i. Town: Hempstead
- ii. Village: Hempstead
- iii. School District: Hempstead UFSD #1

D. Acreage: 3.98

3. Project Components (check all appropriate categories):

- A. Construction of a new building Yes No
 - i. Square footage: _____
- B. Renovations of an existing building Yes No
 - i. Square footage: 635,711
- C. Demolition of an existing building - No
 - i. Square footage: _____
- D. Land to be cleared or disturbed Yes No
 - i. Square footage/acreage: _____
- E. Construction of addition to an existing building Yes No
 - i. Square footage of addition: _____
 - ii. Total square footage upon completion: _____
- F. Acquisition of an existing building Yes No
 - i. Square footage of existing building: 635,711
- G. Installation of machinery and/or Equipment Yes No
 - i. List principal items or categories of equipment to be acquired: _____
Building systems and components
- H. To what length will the project ensure energy efficiency in the design and operations?
Hempstead Preservation, LLC will utilize energy efficient lights, faucets and appliances.
- I. Will the project provide onsite child daycare? No.
If yes, how many children will the facility accommodate? _____

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location?

i. If no, please list the present owner of the site: Terrace 100, L.P. (fee title is in Town of Hempstead IDA)

B. Present use of the proposed location: Residential. Affordable Housing

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

i. If yes, explain: There are currently two IDA Regulatory Agreements on the property
There is currently a PILOT on the location in connection with bonds issued by Town of Hempstead IDA, which bonds will be redeemed at closing.

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

Applicant is purchasing the site from the current owner, Terrace 100 L.P.

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

The site is currently leased by Town of Hempstead IDA (Lessor) to Terrace 100, L.P. (Lessee)

This lease will be terminated or assigned and restated upon acquisition by Applicant.

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: Hempstead Preservation, LLC is committed to providing high quality, sustainable, low to

moderate income housing to individuals and families. We will renovate and manage the property to

ensure long term housing stability. The property will also provide a community facility for residents.

B. Proposed product lines and market demands: residential affordable housing

C. 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:

The individual units will be rented to residential tenants.

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

The purpose for the project is to preserve affordable housing in the Village of Hempstead. This project will provide 420 safe, high-quality units of affordable housing. This project aligns with our mission to expand, preserve and improve existing affordable housing throughout the United States. Securing a PILOT agreement is essential to ensuring the long-term financial feasibility of the project, allowing us to renovate the property to enhance quality of life and safety for the residents while maintaining affordable rents.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? 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? N/A

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following: No.

- i. Site Clearance: Yes No % COMPLETE _____
- ii. Foundation: Yes No % COMPLETE _____
- iii. Footings: Yes No % COMPLETE _____
- iv. Steel: Yes No % COMPLETE _____
- v. Masonry: Yes No % COMPLETE _____
- vi. Other: _____

B. What is the current zoning?: Residence E

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: N/A

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

7. Project Completion Schedule:

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

i. Acquisition: Q3 2025

ii. Construction/Renovation/Equipping: 18 Months from Acquisition

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: 18 Months from Acquisition

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	\$ <u>107,000,000</u>
Building(s) demolition/construction	\$ _____
Building renovation	\$ <u>23,016,387</u>
Site Work	\$ _____
Machinery and Equipment	\$ _____
Legal Fees	\$ <u>445,900</u>
Architectural/Engineering Fees	\$ <u>194,612</u>
Financial Charges	\$ <u>3,932,658</u>
Other (Specify)	\$ <u>\$12,097,165 See Attachment 1</u>
Total	\$ <u>146,686,722</u>

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ <u>120,474,382</u>	<u>7</u> years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ <u>26,212,340</u>	<u>N/A</u> years
Total Project Costs	\$ <u>146,686,722</u>	

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.

See attached Attachment 2

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:

N/A

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N/A

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

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

\$ 120,474,382

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75 %):

\$ 903,558

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):

\$ 5,836,591.65

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

503,406.03
\$ _____

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ N/A

ii. User: \$ N/A

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: No.

B. Agency PILOT Benefit:

i. Term of PILOT requested: 20 year term plus 10 year conditional extension

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	<u>32</u>	<u>25</u>	<u>25</u>	<u>anticipated 25</u>
Part-Time**	_____	_____	_____	_____

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

The Present employment figures represent current (seller numbers), NOT jobs anticipated upon closing.

** 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	88,268	12,684
Commission Wage Earners		
Hourly Wage Earners	52,032	19,764
1099 and Contract Workers		

Total Anticipated Construction Jobs 125

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

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)
2. Has the Applicant or any of the management of the Applicant , or any of these individuals immediate family members, 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)
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 PILOT assistance is essential to the success of the project. We are committed to making extensive aesthetic and safety improvements to the property to ensure it meets the highest standards for quality, durability and resident well-being. Without the PILOT, the financial constraints would impact our ability to complete these necessary improvements.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?
Without the financial assistance we would not be able to proceed with the project. We are committed to maintaining high standards for quality and security and the lack of financial assistance would create challenges in delivering the level of investment needed to achieve our goal. For the Village of

Hempstead, this could mean a missed opportunity to revitalize the property creating a safe, attractive, well maintained affordable housing community for residents.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Initial *AS*

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies

Initial *AS*

7. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving financial assistance for the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Initial *AS*

8. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

Initial *AS*

9. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York

General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

Initial JB

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which result in the removal of an industrial or manufacturing plant of the project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial JB

11. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with who United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Block Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

Initial JB

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.

Initial JB

13. The Applicant confirms and hereby acknowledges it has received the Agency's [Construction Wage] Policy attached hereto as Schedule B and agrees to comply with the same.

Initial JB

14. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's [Recapture and Termination] Policy, attached hereto as Schedule C.