

New Rochelle Industrial Development Agency

Minutes Summary of the Regular Meeting of the New Rochelle Industrial Development Agency (IDA) held on **Tuesday, August 30, 2016 at 7:30 P.M., in Meeting Room B-1, City Hall, New Rochelle, New York**. The following members of the Agency were:

PRESENT: Charles B. Strome, III, Vice Chair
Ivar Hyden, Treasurer
Gordon P. Bell, Secretary
Pamela M. Davis, Member
Garrett W. Thelander, Member

ABSENT: Bernard J. Michael, Chair
Aaron J. Fleishaker, Member

ALSO PRESENT: Luiz C. Aragon, Commiss. of Development/IDA Assistant Secretary
Ayanna C. Wayner, Dpty. Commiss. of Econ. Dev./IDA Exec. Dir.
Jeremy Schulman, IDA/Economic Development Manager
Darius Chafizadeh, Esq., IDA Transaction Counsel, Harris & Beach
Peter Wise, Esq., DDWWW
Jim Broderick, Goodwin Procter, LLC, Boston
Freddie Akrouche, Goodwin Procter, LLC, Boston
Allen Magrini, Hartz Mountain
Frank Chechile, 381-383 Huguenot LLC
Eon Nichols, Esq., Cuddy & Feder
Melissa Bassin, Esq., Cuddy & Feder

The Chair stated the public hearing would be held first on the consent and assignment of an existing lease agreement between the Agency and 255 Huguenot Street Corp. in connection with the La Rochelle building.

Mr. Chafizadeh stated this application is to approve the sale of the property from the current owner to the applicant 255 Huguenot Owner LLC which is an affiliate to the owner of the sister building. The property is currently a project of the IDA which was approved in 1999. There is a current payment-in-lieu-of-taxes (PILOT) agreement which is in effect until 2029. The PILOT is not under consideration tonight and remains in effect. We are here tonight to: approve the sale to the applicant; approve and confirm a mortgage tax exemption which is approximately 400,000 dollars of benefits; and consent to the assignment of the lease agreement. The buyer will assume all obligations of the previous owner and will be secured by a 2 million dollar letter of credit. This will bring many benefits to the City.

The Chair stated that the deal made in 1999 is in place and the IDA cannot change that, and as long as the transfer is reasonable and acceptable, we cannot hold our approval of that.

255 Huguenot Owner LLC (La Rochelle building) at 255 & 275 Huguenot Street – Public Hearing

The Chair opened the public hearing.

Lorraine Karl, 43 Belmont Avenue and Peggy Godfrey, 29 Bayview Avenue addressed the Board with their

New Rochelle Industrial Development Agency

concerns. Ms. Karl asked if the new owners were prevented from giving money to the school district. She and Ms. Godfrey also asked if they had done any work to fix up the inside of the building which they said needs it. Ms. Karl said there is garbage out on the street from tenants, so they should put a dumpster there for this garbage. Ms. Godfrey stated she tried calling the Department of Development with no response. She said that this is a large amount of money and there is a lot of misunderstanding as far as how long this building has been up.

Mr. Strome moved that the public hearing be closed.

1. Roll Call/Announcements

The Chair called the Industrial Development Agency meeting to order at 7:40 p.m.

2. Minutes

The minutes will be held until the next meeting.

3. 255 Huguenot Owner LLC (La Rochelle building) at 255 & 275 Huguenot St. – Sale and Lease

Ms. Wayner stated the applicant is seeking Board approval authorizing: consent to the assignment of the lease agreement; execution and delivery of the second amendment to the lease agreement and related documents; the execution of the mortgage; and a mortgage recording tax exemption.

Mr. Wise addressed the Board on behalf of the DSF group stating this project has been explained by the Board, and offered to answer any questions. He also introduced Jim Broderick and Freddie Akrouche from Goodwin Procter, the company's general counsel from Boston, as well as one representative of Hartz Mountain, the parent of the current owner and lessee. He stated that improvements to this property will include the units themselves, the common spaces, the halls, the gym, the pool and landscaping.

Mr. Bell asked for a description of the portfolio of the company.

Mr. Wise stated the DSF group is headquartered in Massachusetts and has an office in Fairfax, Virginia. Mr. Wise went on to describe the company's worth and success.

Mr. Hyden stated his concerns regarding the Halstead building passageway between Memorial and Division which has been closed and which he would like to see open to the public again. He also said that some improvement on enhancing the back side of the building and some kind of connectivity between that building to the heart of downtown and a passageway through there would be a great idea.

Mr. Wise stated as far as the passageway, there are some concerns with safety and security but we are happy to discuss possible alternatives to that passageway.

Mr. Thelander made a motion to approve a resolution for this sale and lease assignment, seconded by Mr. Strome. All in favor, the motion is passed.

4. 381-383 Huguenot LLC at 393 Huguenot St. – Inducement & Set Public Hearing

Mr. Nichols addressed the Board along with the applicant Mr. Chechile. Mr. Nichols described the project as a six-story, mixed-use facility with 60 residential units, 7 of which will be affordable, and 2,400 square feet of retail space on the ground floor. Included in the retail space will be 1,100 square feet of arts space that will be leased below market to the City. All parking will be on-site consisting of about 57 spaces. There will also be a laundry room and rooftop deck. He said that he was before the Board this

New Rochelle Industrial Development Agency

evening seeking a Mortgage Recording tax exemption and sales tax for the development. Mr. Chechile stated the facility will have 60 units, 57 of which will be studios and one-bedrooms, 3 of which will be two-bedrooms. The rooftop will have amenities for the tenants including a pergola, meeting area and dog run. There will also be a self-parking carousel. In keeping with the Art Betterment requirement, there will be an art theme that begins on the outside of the building that carries through the driveway and onto the carousel which will be screened and visible through the driveway to the sidewalk.

The Chair stated we are here tonight for inducement of the project and to set a public hearing. The PILOT will be negotiated by our sub-committee and will come back with their recommendation to this Board in September.

Mr. Strome made a motion to approve a resolution for inducement and to set the public hearing for Wednesday, September 21st at 7:30 p.m., seconded by Mr. Bell. All in favor, the motion is passed.

5. Other Business/Discussion Items

Mr. Strome stated there are no other business or discussion items.

6. Next Meeting Date

Mr. Strome stated it will be September 21st at 7:30 p.m.

7. Adjournment

Mr. Bell made a motion to adjourn the meeting at 8:20 p.m., seconded by Mr. Thelander.