

New Rochelle Industrial Development Agency

Minutes Summary of the Regular Meeting of the New Rochelle Industrial Development Agency (IDA) held on **Wednesday, June 27, 2018 at 7:30 P.M., in Conference Room B-1, City Hall, New Rochelle, New York.** The following members of the Agency were:

PRESENT: Charles B. Strome, III, Chair
Ivar Hyden, Vice Chair
Robert Balachandran, Treasurer
Howard Greenberg, Secretary
Felim O'Malley, Member
Jordanna Davis, Member
Amy Moselhi, Member

ABSENT:

ALSO PRESENT: Luiz C. Aragon, Commiss. of Development/IDA Assistant Secretary
Gina D'Agrosa, Dpty Commiss. for Econ. Dev/IDA Executive Dir.
Roisin Grzegorzewski, IDA Economic Development Manager
Pat Malgieri, Esq., IDA Transaction Counsel, Harris Beach
Kevin Gremse, IDA Financial Consultant, National Development Council

PUBLIC HEARINGS:

TWO HAMILTON AVE. CO INC.,- 545 NORTH AVENUE

The IDA Economic Development Manager, Roisin Grzegorzewski, introduced the Public Hearing for the Two Hamilton Ave. Co Inc., project located at 545 North Avenue, in accordance with Section 859 A, subdivision 2 of the New York General Municipal Law. Notifications for this hearing appeared in the Journal News on June 16, 2018.

Mr. Strome, Chair, opened the hearing to the public who wished to comment or speak in favor or opposition.

The following members of the public provided comments, full public comments can be viewed: http://newrochelle.granicus.com/MediaPlayer.php?view_id=2&clip_id=1329

Sharon Footes
162 Clinton Ave
New Rochelle

There being no more speakers, the Chair, Mr. Strome, closed the hearing for the Two Hamilton Ave. Co Inc., Project.

WBLM 14 LE COUNT OWNER LLC.- 14 LE COUNT PLACE

The IDA Economic Development Manager, Roisin Grzegorzewski, introduced the Public Hearing for the WBLM 14 Le Count Owner LLC., project located at 14 Le Count Place in accordance with Section 859 A, subdivision 2 of the New York General Municipal Law. Notifications for this hearing appeared

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in the Journal News on June 16, 2018.

Mr. Strome, Chair, opened the hearing to the public who wished to comment or speak in favor or opposition.

Mr. Aragon, Commiss. Of Development/IDA Assistant Secretary, made a statement on the record explaining the reason for the length of the PILOT.

The following members of the public provided comments, full public comments can be viewed: http://newrochelle.granicus.com/MediaPlayer.php?view_id=2&clip_id=1329

Any comment submitted in writing has been attached.

Frank Ward
137 Hillandale Drive
New Rochelle

Denise Ward
137 Hillandale Drive
New Rochelle

Michael Yellin
38 Lakeside Drive
New Rochelle

Darren Gannon
28 Moran Place
New Rochelle

Dorothy Oliver
162 Clinton Ave
New Rochelle

Greg Gorman
26 Ellenton Ave
New Rochelle

Ulric Hermans-Binder
Submitted written comment only, attached.

There being no more speakers, the Chair, Mr. Strome, closed the hearing for the WBLM 14 Le Count Owner LLC, Project.

IDA Meeting was called to order by the Chair, Mr. Strome.

Roll Call was taken.

Announcements: None.

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Minutes: A motion was made by Mr. Balachandran and seconded by Mr. O'Malley to approve the May 30, 2018 Minutes; and was unanimously approved.

Two Hamilton Ave. Co., Inc.- 545 North Avenue- Authorization

Ms. D'Agrosa explained that the applicant proposes: (i) the restoration and preservation of the existing two-story building with the first floor remaining as commercial retail; (ii) the conversion of the second floor from office space to twelve (12) rental apartments; and (iii) the construction of four floors to be added to the existing two-story building to include forty-four (44) rental units, totaling fifty-six (56) rental units.

Ms. D'Agrosa explained that the applicant is here for authorization and is seeking an approximately \$120,000 mortgage recording tax exemption, a \$524,708 sales tax exemption and requesting a 20 year PILOT that conforms with the UTEP. National Development Council ("NDC"), the IDA's financial consultant, has reviewed and is in support of the proposed incentive request. Additionally, the IDA Finance Subcommittee has reviewed and is in support of the proposed incentive request.

The Board provided questions and comments.

Kevin Gremse, NDC, came to the podium to further explain the financial benefits of the project.

A motion to approve was made by Mr. Strome and seconded by Mr. Balachandran. All in favor, the motion passed.

WBLM 14 Le Count Owner LLC-14 Le Count Place- Authorization

Ms. D'Agrosa explained that the applicant proposes Phase 1 of a two-phase development project. In Phase 1 the applicant proposes the construction of 379 rental apartments in a 27-story structure consisting of 80% market rate rental units and 20% affordable units. The residential development includes retail space, amenity space, and 169 parking spaces. Approximately 450,930 square feet of the project consists of the residential development and approximately 6,170 square feet of the project is retail space. The project proposes to create 76 affordable housing units to be leased to households who earn at or below 50% and up to 60% of the Westchester AMI

Ms. D'Agrosa explained that the applicant is here for authorization and is seeking an approximately \$1,148,000 mortgage recording tax exemption, a \$5,108,206 sales tax exemption and is requesting a 30 year PILOT. As contemplated by the UTEP the 30 year PILOT is provided by the Agency because the affordable housing portion is using low income tax credits. National Development Council ("NDC"), the IDA's financial consultant, has reviewed and is in support of the proposed incentive request. Additionally, the IDA Finance Subcommittee has reviewed and is in support of the proposed incentive request.

The Board provided questions and comments.

Kevin Gremse, NDC, came to the podium to further explain the financial benefits of the project.

A motion to approve was made by Mr. Balachandran and seconded by Mr. Greenberg. All in favor, the motion passed.

RXR Church-Division Tower A Holdings LLC- 26 Division Street- Inducement & Set Public

New Rochelle Industrial Development Agency

Hearing

Ms. D'Agrosa explained that the applicant proposes the construction of a 28-story mixed-use commercial/residential project expected to include 354 residential rental units. This is the first phase of a two-phase development that consists of the construction of two 28-story towers. The proposed development includes approximately 408,472 square feet of residential area, approximately 17,405 square feet of amenity space, and approximately 13,617 square feet of commercial space and a residential lobby on the ground floor. Additionally, the project proposes the construction of 354 parking spaces in a multi-level valet parking structure which will utilize stacked parking. The Project also includes the development of a public plaza between the two proposed towers.

Ms. D'Agrosa explained that the applicant is here for inducement and the setting of a public hearing and is seeking an approximately \$1,405,200 mortgage recording tax exemption and an estimated \$5.025M sales tax exemption. Additionally, the applicant is requesting a 20 year PILOT, in conformance with the UTEP.

National Development Council ("NDC"), the IDA's financial consultant, will review the requested incentive request. Additionally, the IDA Finance Subcommittee will review the requested incentive request. The Final proposed incentive requested, including the proposed PILOT schedule, will be made public prior to the scheduled Public Hearing in connection with this project.

Mr. Peter Wise, DelBello Donnellan Weingarten Wise & Wiederkehr and Andrew Donchez of RXR came to the podium on behalf of the applicant and further explained the project.

The Board provided questions and comments.

A motion to approve inducement and set a public hearing for July 25, 2018 was made by Mr. Strome and seconded by Mr. Hyden. All in favor, the motion passed.

RXR Church-Division Tower B Holdings LLC- 26 Division Street- Inducement & Set Public Hearing

Ms. D'Agrosa explained that the applicant proposes the construction of a 28-story mixed-use commercial/residential project expected to include 376 residential rental units. This is the second phase of a two-phase development described before. The proposed development includes approximately 445,858 square feet of residential area, approximately 13,648 square feet of amenity space, and approximately 12,054 square feet of commercial space and a residential lobby on the ground floor. Additionally, the project proposes the construction of 457 parking spaces in a multi-level valet parking structure which will utilize stacked parking.

Ms. D'Agrosa explained that the applicant is here for inducement and the setting of a public hearing and is seeking an approximately \$1,122,550 mortgage recording tax exemption and an estimated \$5.49M sales tax exemption. Additionally, the applicant is requesting a 20 year PILOT, in conformance with the UTEP.

National Development Council ("NDC"), the IDA's financial consultant, will review the requested incentive request. Additionally, the IDA Finance Subcommittee will review the requested incentive request. The Final proposed incentive requested, including the proposed PILOT schedule, will be made public prior to the scheduled Public Hearing in connection with this project.

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Mr. Peter Wise, DelBello Donnellan Weingarten Wise & Wiederkehr and Andrew Donchez of RXR came to the podium on behalf of the applicant and further explained the project.

The Board provided questions and comments.

A motion to approve inducement and set a public hearing for July 25, 2018 was made by Mr. Greenberg and seconded by Mr. Balachandran. All in favor, the motion passed.

277 NR Company LLC- 277 North Avenue- Inducement & Set Public Hearing

Ms. D'Agrosa explained that the applicant proposes the demolition of the existing improvements on the property and the construction of a 23 story mixed-use commercial/residential project expected to include 442 residential rental units. The proposed development includes approximately 378,000 gross square feet of residential area, approximately 18,000 square feet of amenity space, and 13,000 net square feet of commercial/retail space. Additionally, there is a 66,000 square foot, 471 parking space, 24/7 staffed valet parking garage with a no-post mechanical stacker lift system.

Ms. D'Agrosa explained that the applicant is here for inducement and the setting of a public hearing and is seeking an approximately \$1,303,339 mortgage recording tax exemption and an estimated \$4,243,981 sales tax exemption additionally, the applicant is requesting a 20 year PILOT. National Development Council ("NDC"), the IDA's financial consultant, will review the requested incentive request. Additionally, the IDA Finance Subcommittee will review the requested incentive request. The Final proposed incentive requested, including the proposed PILOT schedule, will be made public prior to the scheduled Public Hearing in connection with this project.

Mr. Peter Wise, DelBello Donnellan Weingarten Wise & Wiederkehr and Casey Fisher of 277 NR Company came to the podium on behalf of the applicant and further explained the project.

The Board provided questions and comments.

A motion to approve inducement and set a public hearing for July 25, 2018 was made by Mr. Strome and seconded by Ms. Davis. All in favor, the motion passed.

New Business/Discussion:

None.

Next Meeting: Wednesday, July 25, 2018 at 7:30PM.

Adjournment: Mr. Balachandran made a motion to adjourn the meeting, seconded by Mr. Greenberg. All in favor, the motion passed.

Frank Ward
137 Hillandale Drive

When the citizens of New Rochelle reluctantly approved the downtown development project, one thing we were assured was that tax abatements would only be "in the beginning," because as New Rochelle's downtown development "took off," we would no longer need to induce developers to come here.

We were assured that the mistakes of the past like those that had occurred at places like "The Avalon" would never happen again.

And yet, over the past few months, it has seemed, that history has very much been repeating itself, and not in a good way.

Are we gearing up for a new Echo Bay? We'll see.

Why are we giving away over six million dollars to buy a developer's comfort? A project that has 6000 square feet of retail and 457,000 square feet of residential space? A project that has way too few parking spaces—less than half a parking space per unit.

A project that seems to have a calculator problem. Are we supposed to believe that 87 2 bedroom units will produce only 15 children? Do we really all look that stupid? The study by WXY was based on one bedroom and studio units, and not nearly as many two bedroom units as are proposed in this project.

The drain and impact of a building of this size on our City is enormous. And yet, our IDA is poised to give away even more of our tax dollars. That is outrageous and it is irresponsible.

The impact on fire services, water, sewer, police is incredible. Shadow effect. Wind effect. The Final environmental impact study which said all of these issues will be looked at....when are they going to be looked at? The IDA cannot commit to giving away taxpayer dollars until the full impact of every single phase of this project is calculated to its last detail.

To do so with only tentative guesses would be wrong and a breach of your duties to us, and we will hold you accountable.

Thank you.

Denise Ward
137 Hillandale Drive

I am all for development. Development is a good thing. I'm a real estate attorney. A commercial real estate attorney. I represent developers and lenders. So I do understand the benefits of development on the economy.

However, before the IDA gives away hard earned taxpayer dollars, there must be an absolute justification. There must be an absolute economic benefit that rises above a standard of, "the developer won't be able to build the project."

Let's take a look at this 14 LeCount project.

They are asking for these tax dollars:

\$1,148,000 mortgage recording tax exemption
\$5,108,206 sales tax exemption.

Let's look at what that means.

That means that's \$6,256,206 in tax dollars that the residents of New Rochelle have to come up with to keep the lights on, to pay the salaries of the employees, to pay their health care benefits, to have the trash picked up, to have the snow removed, to fill the potholes, and to keep the building department open.

Almost 6.3 million dollars. That's an awful lot of tax dollars.

But that's only the beginning of what they're asking for.

In addition, they're asking for a 30 year PILOT.

30 years. That's incredible.

30 years, after we were promised that 30 year deals were over. That they wouldn't happen again.

We're being told that this abatement is necessary because they are offering an extra 10% in affordable housing units, in exchange for some favorable lending from HUD. Therefore, HUD is requiring this abatement.

That's their problem.

That's their deal, not ours.

We aren't requiring this extra 10%. They're offering it. Who's getting the benefit of it? Not us. We're paying, though. That's for sure.

If they'd like a 30 year abatement on the extra 10% of the affordable units, perhaps the IDA should consider that—and only on those units. But no others. So, a 30 year abatement on 10 % of the units. A 20 year abatement on the rest. That's it.

The reality is, we will have no way of monitoring whether or not 20% of the units are affordable housing. And I'm certainly not in favor of creating another government job to monitor it.

And by the way.

With any sale of the building, the abatement is OVER. Done. What happened at the Avalon buildings was a travesty to the residents of New Rochelle, when those buildings were sold multiple times. The developers made money, and the City lost money. Many times over. The value of those buildings were in the abatements.

If the developer can't afford to do the project without his partners in the citizens of New Rochelle, then he can't afford to do the project. That may not be the answer the developer wants, but it's the answer this IDA has to give. You are responsible to the residents of this city. You are responsible for OUR money. You are OUR fiduciaries. You cannot just invest our money thoughtlessly.

Be forewarned. We aren't going to let this go.

**Statement
New Rochelle IDA
14 LeCount Pl.
June 27, 2018**

My name is Michael Yellin I live at 38 Lakeside Drive. Thank you for this opportunity to provide testimony at the hearing regarding the 14 LeCount place application.

I am co-chair of the New Rochelle Alliance for Justice, an alliance of faith, community, and labor groups organizing for equitable power sharing, as well as the advancement of civil and human rights in New Rochelle.

Month after month, we see applicants come before you seeking what amounts to tens of millions of dollars of financial support from the public for their developments.

The people of New Rochelle deserve a return on their investments in the form of good, family-supporting jobs that lead to careers.

We believe that, with so many projects in the works and in the pipeline, now is the time for the IDA to adopt policies that address job standards which have teeth, are enforceable, and, therefore, fulfill the IDA's mission to promote economic vitality, prosperity, and to improve the standard of living for ALL New Rochelle residents.

We commend you for revising the IDA Application language to encourage, "... where feasible, the use of local labor and the payment of the area standard wage during construction of projects." And we appreciate your

strengthening that goal by adopting and continuing to amend the City's Economic Opportunity and Nondiscrimination Policy.

Unfortunately, these policies have no teeth. Here are a couple of suggestions to help achieve your stated mission:

Strengthen the apprenticeship language in the Uniform Tax Exemption Policy to mandate that all contractors participate in federal or state-approved apprenticeship programs with a record of a successful number of actual graduates over a 5-year period for all construction trades in which they employ workers.

Require that either prevailing wages be paid or that the developer negotiates a Project Labor Agreement with the Building and Construction Trades Council of Westchester and Putnam Counties.

These policies would go a long way to ensure:

- a career path for our youth,
- workers are paid family supporting wages that strengthen our community,
- and construction is of the highest quality and done on budget and on time.

By adopting such policies, you can ensure the public gets a fair return on its investments through IDA subsidies.

We look forward to working with you to make sure the benefits of the redevelopment are shared equitably in our City.

Thank you.

**Statement
New Rochelle IDA
14 LeCount Pl.
June 27, 2018**

My name is Ulric Hermans-Binder. I'm here to talk about the application for public investment in the form of tax abatements for WBLM 14 LeCount Place.

I am from New Rochelle, and I am a member of the New Rochelle youth chapter of the NAACP. I am proud to say that in April I became an apprentice with UA Local 21 Plumbers and Steamfitters – on my way to a lifelong career in construction that will provide me with training, benefits, and strong wages.

The pre-apprenticeship program that I completed was run by the Westchester Building Trades with significant support from the local community. It provided me with the opportunity to reach my goal of becoming an apprentice and, in time, a union journeyman with all the benefits that brings.

I am also proud to say that I am now on the job at RXR's first development, the Loews project at 587 Main Street. When RXR hired a union contractor to do the

plumbing work on that job, I was able to get placed there. I can't tell you how happy I am to be able to work in New Rochelle as I prepare myself for my career.

I am here to ask you to strengthen the Economic Opportunity and Non Discrimination Policy that you recently adopted by putting teeth in it. Responsible development with union contractors and an enforceable local hire policy will be a win-win-win for developers, the city, and its residents.

The public's investment through IDA tax abatements should spur economic development for all New Rochelle residents, not just the powerful and the connected. And how do we do that? By listening to the community and partnering to raise up our brothers and sisters. By ensuring that there are career opportunities through union apprenticeships, and a local hire policy that is enforced.

When we live, work, and spend in our communities our communities can thrive. When we provide middle class opportunities to local residents our communities thrive. I hope that you will take action to see that the benefits of development are shared equitably.