

The Glen Cove Industrial Development Agency held a regular business meeting via Microsoft Teams on Tuesday, April 13, 2021. The Chairman called the meeting to order at 6:04 p.m. and the following members were present:

IDA MEMBERS:

Timothy Tenke, Chairman
Vincent Hartley, Vice Chairman
James Cappiello
Joseph Gioino
Dave Jimenez
Ion Puspurica
John Tetta

Also Present:

Ann Fangmann, Executive Director
Margo Zoldessy, Chief Financial Officer
Camille Byrne, Secretary
Milan Tyler, Esq. – Legal Counsel

The Secretary reported that the notice of meeting (via Microsoft Teams) was served in accordance with the Glen Cove Industrial Development Agency By-laws and Open Meetings Executive Order 202.87.

MINUTES:

Chairman Tenke made a motion to adopt the minutes of the IDA special meeting held April 8, 2021 and asked for a second. The motion was seconded by Jim Cappiello. Motion carried as follows:

IDA MEMBERS

Timothy Tenke
Vincent Hartley
James Cappiello
Joseph Gioino
Dave Jimenez
Ion Puspurica
John Tetta

VOTING

AYE
AYE
AYE
Abstain
AYE
AYE
AYE

EXECUTIVE DIRECTOR REPORT:

Ann Fangmann reminded the board members of the application for financial assistance filed by Arcadia Landing LLC requesting only sales tax assistance dating back to April 2020 that was previously approved by the board. The project has been delayed due to COVID-19 but is now on target to close later this week. A revised project budget has been submitted, resulting in a reduction of eligible sales tax assistance from \$447K to \$200K due to closing delays and the construction performed prior to the IDA closing (not eligible).

FINANCE REPORT:

Margo Zoldessy, CFO, provided the members with an update on the 1st quarter budget versus actual for the IDA. January through March 2021 – Annual budget total revenue is \$635K vs \$65K for the 1st quarter, representing 10% of annual budget. Total salaries were \$164K versus incurred \$40K for the 1st quarter, representing 25%. Professional fees annual budgeted amount of \$487K versus incurred of \$43K, representing 10% of budget. Other expenses annual budget is \$3K versus \$572 for the first quarter, representing 15% of annual budget. Overall, we are on target for salaries and under budget for other revenue and expense categories. Losses thus far of \$17K – keep in mind that administrative fee revenue will increase, and revenue includes both administrative and escrow fees (which are reflected in both the revenue and expense).

UNFINISHED BUSINESS:

Chairman Tenke advised the members that the main purpose of this evening's meeting is to continue the discussion regarding the proposed 135 Glen Cove Avenue/Livingston project. The board members had previously requested additional due diligence in response to their questions. Members were provided with

National Development Council's (NDC's) updated analysis. Dan Livingston and Keith Lanning of 135 Glen Cove Ave Corp. have joined us this evening along with their attorney, Dan Deegan, to make another presentation to the board. No formal Board action is required this evening.

Mr. Deegan provided the members with a detailed history of this project, citing that it dates back to the adoption of the City of Glen Cove Master Plan approving the density of this development in the gateway area of the City which has been blighted and ridden with crime. Throughout all of this time, the site has generated very little tax revenue as it is basically vacant land. The developer's initial concept was to build luxury condominium units for sale but given the amount of time that has lapsed since the conception of this project, the real estate market has changed, and market conditions are strongly leaning toward rental units. Mr. Livingston provided a video simulating the amenities of this project explaining that the amenities such as gym/spa, indoor pool, underground parking (2 spaces per unit) and trolley transportation to downtown Glen Cove will be an economic generator for the City. The development now consists of 176 units, of which 10% will be set aside for workforce housing. The project construction cost is estimated at \$55 million. The Standard Valuation Services (SVS) analysis approximates \$9K of real estate taxes per unit, which is not sustainable. The applicant is asking for a 20-year PILOT to also include mortgage recording and sales tax exemption on construction. Mr. Adam Marcus of Greystone Rentals informed the members that his company has leased 410 out of 500 units in the last 12 months in both Garvies Point and Village Square. Luxury rental to empty nester or young professionals and studies show that there is no drain on the school district because very few, if any, school aged children reside in there and attend public schools. This type of luxury rental is in high demand now and with the build out over two years of the Livingston Development property it will not compete with the lease-up of the Waterfront or Village Square developments.

Chairman Tenke opened the floor for comments and Q&A:

John Tetta shared his concern about whether the development will have a measurable impact on the school district.

Joe Gioino made the following remarks:

- Mr. Gioino reminded the members that the City of Glen Cove has changed a lot since the approval of the Master Plan and has seen several large-scale developments built in the City, questioning whether there is further need for this type of development. He is concerned that traffic will increase dramatically at what is already a heavily trafficked gateway to the City of Glen Cove.
- Mr. Gioino asked about where Glen Cove stands in terms of homeownership versus apartment rentals. Ms. Fangmann advised that she had done a preliminary study for the board on this question and would recirculate it to all members under separate cover. However, her recollection is that Glen Cove is among the top 5 municipalities on Long Island in terms of overall percentage of rental units (which includes two-family homes) versus homeownership units.
- Mr. Gioino reminded the members that years ago this project was embraced by the City due to the fact that it consisted of homeownership units, not rentals.
- Mr. Gioino asked if, when requesting approval of their plans to both the Planning/Zoning Board, did Livingston disclose that they needed IDA financial aid to make this project affordable? The applicant responded that they did make that clear.

Members Dave Jimenez and Ion Puspurica questioned whether if the IDA board were to consider a PILOT, looking at the different scenarios outlined in the NDC analysis, could the project succeed based upon a 15-year PILOT schedule? The Applicant's legal counsel responded that they had not been privy to the NDC revised analysis until this date and would need more time to review it; however, Mr. Deegan was emphatic that 20-year PILOT is the standard for a project of this magnitude in Nassau County making comparisons to Garvies Point and Village Square.

Mr. Gioino responded that those projects were approved by prior administration and prior board members maintaining that it does not necessarily mean that this administration/board will render similar IDA benefits.

Chairman Tenke thanked all of the participants at this meeting for their input and asked that Milan Tyler work with the IDA to provide further due diligence as requested by the members for further discussion at a later date/meeting.

Chairman Tenke made a motion to adjourn the meeting at 7:03PM which was carried unanimously.

Respectfully Submitted,

Camille Byrne, Secretary
Glen Cove IDA

DRAFT