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March 1, 2021

**VIA EMAIL**

Ms. Ann S. Fangmann, AICP, Executive Director  
City of Glen Cove Industrial Development Agency  
City Hall  
9 Glen Street  
Glen Cove, New York 11542

***Re: Garvies Point Workforce LLC  
Garvies Point, Block G, Glen Cove, New York***

Dear Ms. Fangmann:

As you know, this firm represents Garvies Point Workforce LLC (the “Applicant”) in connection with the proposed acquisition of the above-referenced site and the construction of a 100% affordable housing residential rental community thereupon (the “Project”). The Project will be subject to a 50-year regulatory agreement that will be recorded and run with the property maintaining the project’s affordability. The purpose of this letter to respectfully request that the Glen Cove Industrial Development Agency (the “Agency”) to extend the length of the payment in lieu of tax period applicable to the Project from the existing term of twenty (20) years to a minimum of a total of thirty (30) years.

As you know, the Project was originally approved as part of the overall mixed-use development of the waterfront at Garvies Point. The Agency has approved G&G Garvies Point LLC (“Assignee”), an affiliate of Applicant as the developer of the Project. Assignee and Applicant have subsequently applied and been approved for certain additional financial assistance consisting of mortgage recording tax exemption and sales and use tax exemptions.

Applicant is in the process of securing financing for the Project including required commitments for permanent financing. Applicant anticipates securing a permanent first mortgage loan from Barings LLC or similar lender (“Lender”) in addition to financing through the New York State Division of Housing and Community Renewal (“HCR”). A copy of the term sheet currently being negotiated with Lender has been attached hereto (the “Term Sheet”) and a copy of HCR’s Capital

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Programs Manual setting forth the terms and conditions of the HCR financing program (the “HCR Manual”) has also been attached.

As with any 100% affordable housing project, the affordability is achieved in large part by controlling/ reducing expenses. Without the benefits of the HCR financing programs, the cost of securing funding would make it impossible for the project to be developed.

As you can see from the HCR Manual (see page 42 of Section 5 separately attached), the term of any loan must be for at least thirty (30) years. Additionally, as you can see from the Term Sheet, the Lender requires that the PILOT term run for at least the thirty (30) years. Applicant’s discussions with potential lenders have confirmed that any lender for the Project will require that the PILOT term extend at least through the end of the 30-year loan term.

To reiterate, this request is not for the purposes of increasing a return on investment as would be the case for a market rate development but to meet the minimum threshold requirements of HCR for the proposed all-affordable development.

As previously discussed with the Agency’s counsel, in order to be able to move forward with the financing for this project, the Applicant will need to provide to the Lender evidence of either an extension of the PILOT to a total of at least 30 years or a separate 10-year PILOT term beginning at the end of the twenty (20) year initial term, subject to the continued affordability and any legally required actions of the Agency Board in place at the time.

The Applicant’s deadline to close on construction financing for this project is April 15, 2021. It is our hope that the Agency would be able to provide a commitment acceptable to Lender for such an extension prior to that date in order to allow Applicant to close on its financing and proceed with the construction of this much needed affordable housing project.

Thank you for your consideration of this request. Please do not hesitate to contact me should you have any questions or require any additional information.

Very truly yours,

FORCHELLI DEEGAN TERRANA LLP

By: *Daniel P. Deegan*  
DANIEL P. DEEGAN