

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(the “Agency”)**

**The Villas/Livingston Project
(the “Project”)**

Supplemental Information/Public Hearing Responses

The Agency held a public hearing on July 14, 2021 at 6:00 p.m. in the Glen Cove City Hall Chambers. Below are responses to certain questions/issues raised at the hearing and in the written comments received.

Affordable Units - At the closing, the developer would execute a Regulatory Agreement, encumbering the Project and requiring that 16 units will be set aside for residents earning up to 80% of the Nassau/Suffolk Area Median Income (as calculated by HUD). This requirement would be perpetual.

Construction Team - The developer has represented that the project will be an “open shop” project. The developer has had positive dialogue with Local Laborers 66, several of whose members spoke in support of the Project at the public hearing.

Local Workforce - The closing documents would contain a commitment on the developer’s behalf toward a 20% local workforce hiring standard (the same as imposed for the Waterfront and Village Square projects). This is in addition to the Agency’s non-discrimination and MWBE requirements.

School Age Children - Based on (a) more recent data from the Waterfront and Village Square projects presented by Greystar at the public hearing, (b) the change from condo ownership to rental, and (c) the reduction in unit count (resulting in 42 fewer bedrooms), the developer estimates that only 2 school-aged children will be resident at the project. Assuming that both would attend public schools (not private schools) and assuming an average cost per incremental student of \$20,000 per year, the impact on the public school system over 20 years would be approximately \$800,000. The

Agency's consultant, NDC, estimates that the proposed PILOT would generate \$15,280,533 in payments in excess of the otherwise applicable taxes (assuming no development). If the school portion is roughly 66%, then the school system would receive over \$10 million in additional revenue (compared to an \$800,000 "cost"). Based on the data from the Waterfront and Village Square projects, the developer's estimate seems reasonable. However, if the developer's estimate is wildly wrong (e.g. there are 10 public school children from the project costing \$4,000,000 over 20 years), the school system enjoys a huge net benefit from the project.

But-For" Test - Several commentators phrased their concerns in terms of the difference between the proposed PILOT and the full as-built taxes. We note that prior to approving the requested financial assistance, the Board must conclude that "but for" the financial assistance, the Project would not move forward. Thus, the analysis should not focus on what the full taxes would be without IDA assistance because the IDA must first conclude that that scenario would not happen.

Public Amenities - While the Project does not have the ability to dedicate space for public use, the developer has committed to providing a local trolley system (but the details have not been worked out).

Apprenticeship - The developer has set a target of 10% of the construction workforce being involved in an on-site apprenticeship program.

IDA Formation - Two commentators referenced the IDA having been formed in 2004. It was in fact formed by an act of the New York State Legislature (codified as General Municipal Law §919) in 1974.

Residential Projects - One commentator questioned the legal authority of IDAs to engage in residential project assistance. There is both a NYS Comptroller opinion, as well as a Nassau County Supreme Court ruling, confirming such authority as "commercial" projects. Residential projects have since become commonplace for IDAs across the state, including on Long Island.

Zoning/Traffic - More than one commentator referenced issues such as zoning, traffic and construction standards (e.g. “this place is starting to look like Lefrak City already”, concerns about “truss construction”). Those may or may not be valid concerns but each has been or will be reviewed/ approved by other appropriate agencies. The Planning Board has already approved the Project and the Buildings Department is responsible for issuing building permits and monitoring construction.

Article 78 Proceeding - We understand that there is a pending Article 78 proceeding against the Glen Cove Planning Board. That proceeding challenges the Planning Board’s site plan approval. If successful (developer’s counsel believes that it will not be), this action would, at a minimum, require a major revision in the Project. However, there is no injunction or other legal reason that the IDA cannot now act on the pending request for financial assistance. We have discussed this issue with the developer and its counsel and they both understand the risks in proceeding and urge us to approve their request.