



NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

1 WEST STREET

4TH FLOOR

MINEOLA, NY 11501

TELEPHONE (516) 571-1945 FAX (516) 571-1076

www.nassauida.org

April 29, 2019

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

County Executive Laura Curran
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

Supervisor Laura Gillen
Town of Hempstead
1 Washington Street
Hempstead, NY 11550

Mayor Theresa A. Trouvé
Incorporated Village of Garden City
351 Stewart Avenue
Garden City, NY 11530

Superintendent Dr. Kusum Sinha
Garden City School District
56 Cathedral Avenue
Garden City, NY 11530-216

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Ladies and Gentlemen:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on May 16, 2019 at 6:30 p.m. local time at the Nassau County Executive & Legislative Building, Ceremonial Chambers, 1550 Franklin Avenue, Mineola, New York, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's

Uniform Tax Exemption Policy (the “Policy”) with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

SLC DEVELOPMENT, LLC, a limited liability company organized and existing under the laws of the State of New York on behalf of itself and entities formed or to be formed on its behalf, including without limitation, its affiliate, 555 Stewart Garden City, LLC, a limited liability company organized and existing under the laws off the State of Delaware (the “Applicant”), has presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in an approximately 4.45 acre parcel of land located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 076; Lot: 15) (the “Land”), (2) the construction of an approximately 207,800 square foot four-story residential facility (collectively, the “Building”) on the Land, together with related improvements to the Land and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “Equipment”) necessary for the completion thereof (collectively, the “Project Facility”), all of the foregoing for use by the Applicant as a multi-family residential rental facility with approximately 150-units, at least ten percent (10%) of which units shall be affordable units (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and/or sales and use taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the “Property Tax Exemption”) with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the “Closing Date”) to and including the day prior to the Effective Date (as defined below), payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Land and the existing improvements thereon as of the date of closing without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twenty-one (21) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

Thereafter, and through the end of the term of the project agreement, lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) “BASE PILOT” shall be deemed to mean the amount of all real property taxes and assessments payable on the Land and the existing improvements thereon as of the date of closing, which amount shall be increased by 2.00% per year (compounded) after the first (1st) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) “IMPROVEMENT PILOT” shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to Exhibit A attached hereto. The term “Assessed Value of the Improvement” shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills and General Tax Bills based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) “Effective Date” shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Harry Coghlan
Chief Executive Officer

Exhibit A

<u>Period</u>	<u>Begin</u>	<u>End</u>	<u>Assessed Value of Improvement ("AV")</u>	<u>PILOT RATE</u>
	Closing Date	1 day prior to Effective Date	N/A	N/A
	Effective Date	1 yr Anniversary of Effective Date	0.0000*AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
1	1 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	0.0000*AV	RATE
2	2 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	0.0000*AV	RATE
3	3 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	0.0000*AV	RATE * 1.0200
4	4 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	0.0556*AV	RATE * 1.0404
5	5 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	0.1111*AV	RATE * 1.0612
6	6 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	0.1667*AV	RATE * 1.0824
7	7 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	0.2222*AV	RATE * 1.1041
8	8 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	0.2778*AV	RATE * 1.1262
9	9 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	0.3333*AV	RATE * 1.1487
10	10 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	0.3889*AV	RATE * 1.1717
11	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	0.4444*AV	RATE * 1.1951
12	12 yr Anniversary of Effective Date	13 yr Anniversary of Effective Date	0.5000*AV	RATE * 1.2190
13	13 yr Anniversary of Effective Date	14 yr Anniversary of Effective Date	0.5556*AV	RATE * 1.2434
14	14 yr Anniversary of Effective Date	15 yr Anniversary of Effective Date	0.6111*AV	RATE * 1.2682
15	15 yr Anniversary of Effective Date	16 yr Anniversary of Effective Date	0.6667*AV	RATE * 1.2936
16	16 yr Anniversary of Effective Date	17 yr Anniversary of Effective Date	0.7222*AV	RATE * 1.3195
17	17 yr Anniversary of Effective Date	18 yr Anniversary of Effective Date	0.7778*AV	RATE * 1.3459
18	18 yr Anniversary of Effective Date	19 yr Anniversary of Effective Date	0.8333*AV	RATE * 1.3728
19	19 yr Anniversary of Effective Date	20 yr Anniversary of Effective Date	0.8889*AV	RATE * 1.4002
20	20 yr Anniversary of Effective Date	21 yr Anniversary of Effective Date	0.9444*AV	RATE * 1.4282
	<u>BASE PILOT</u>	<u>IMPROVEMENT PILOT</u>	<u>TOTAL PILOT</u>	
<u>Period</u>				
CD	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
ED	100% of taxes as of year of Closing *1.0200	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
1	100% of taxes as of year of Closing *1.0404	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing *1.0612	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing *1.0824	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing *1.1041	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing *1.1262	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *1.1487	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing *1.1717	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *1.1951	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *1.2190	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *1.2434	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	

11	100% of taxes as of year of Closing *1.2682	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing *1.2936	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing *1.3195	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
14	100% of taxes as of year of Closing *1.3459	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
15	100% of taxes as of year of Closing *1.3728	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
16	100% of taxes as of year of Closing *1.4002	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
17	100% of taxes as of year of Closing *1.4282	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
18	100% of taxes as of year of Closing *1.4568	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
19	100% of taxes as of year of Closing *1.4859	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
20	100% of taxes as of year of Closing *1.5157	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	