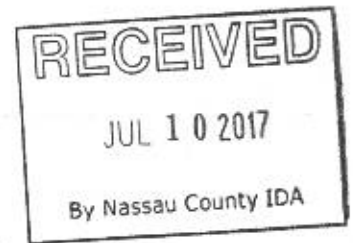


**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**
APPLICATION FOR FINANCIAL ASSISTANCE



APPLICATION OF:

PALMETTO-RPT OWNER, LLC

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule I to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction/Bond Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction/Bond Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any financial assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

July
June 16, 2017
DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE:

Name: Palmetto - RPT Owner, LLC

Address: 100 Dunbar Street, Suite 402, Spartanburg, SC 29306

Fax: 864.596.8934

NY State Dept. of
Labor Reg #: 4713500 Federal Employer ID #: ~~XXXXXXXXXX~~

NAICS Code #: 721110

Website: www.otodevelopment.com

Name of CEO or
Authorized Representative Certifying Application: Charles T. King
Title of Officer: Chief Financial Officer

Phone Number: 864-327-4038 E-Mail: cking@otodevelopment.com

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship ☐ General Partnership ☐ Limited Partnership ☐

Limited Liability Company ☒ Privately Held Corporation ☐

Publicly Held Corporation ☐ Exchange listed on

Not-for-Profit Corporation ☐

Income taxed as: Subchapter S ☐ Subchapter C ☐
501(c)(3) Corporation ☐ Partnership ☒

State and Year of Incorporation/Organization: DE/November 3, 2016

Qualified to do Business in New York: Yes ☒ No ☐ N/A ☐

C. APPLICANT COUNSEL:

Firm name: Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP

Address: 333 Earle Ovington Blvd, Suite 1010
Uniondale, New York 11553

Primary
Contact: Daniel P. Deegan
Phone: 516-248-1700
Fax: 516-248-1729
E-Mail: ddeegan@forchellilaw.com

- D. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
<u>Palmetto Hospitality of Garden City III, LLC</u>	<u>50%</u>
<u>Garden City Hotel Fee, LLC</u>	<u>50%</u>

- E. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

N/A

- F. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES

NO _X_

- G. List parent corporation, sister corporations and subsidiaries, if any:

Palmetto Hospitality of Garden City, III, LLC, is an affiliate of OTO Development, LLC

Garden City Hotel Fee, LLC is an affiliate of Simon Property Group

- H. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) been involved in, applied for or benefited by any prior industrial development financing in the municipality in which this Project is located, whether by the Agency or another issuer, or in a contiguous municipality? ("Municipality" herein means city, town or village, or, if the Project is not in an incorporated city or village, Nassau County.) If YES, describe:

YES X

NO

Yes, other OTO affiliates have benefited from the Town of Hempstead IDA financial assistance at the Hyatt Place Garden City and the Hampton Inn Garden City.

- I. Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details at Schedule I.

YES

NO X

- J. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details at Schedule I.

YES

NO X

- K. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing the subject of a pending criminal proceeding or investigation? If YES, attach details at Schedule I.

YES

NO X

- L. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there a pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details at Schedule I.

YES ____

NO X__

- M. Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details at Schedule I.

YES ____

NO X__

- N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
Charles T. King	Assistant Treasurer	_____
_____	_____	_____
_____	_____	_____

Do any of the foregoing principals hold elected or appointive positions with New York State, any political division of New York State or any other governmental agency? If YES, attach details at Schedule I.

YES ____

NO X__

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ____

NO X__

O. Operation at existing location(s) (Complete separate Section O for each existing location): N/A

1. (a) Location: _____
- (b) Number of Employees: Full-Time: _____ Part-Time: _____
- (c) Annual Payroll, excluding benefits: _____
- (d) Type of operation (e.g. manufacturing, wholesale, distribution, retail, etc.) and products or services: _____
- (e) Size of existing facility real property (i.e., acreage of land): _____
- (f) Buildings (number and square footage of each): _____
- (g) Applicant's interest in the facility

FEE TITLE: _____ LEASE: _____ OTHER (describe below): _____

2. Will the completion of the proposed Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the Project, from one area of the State of New York (but outside of Nassau County) to a location in Nassau County or in the abandonment of such a plant or facility located in an area of the State of New York outside of Nassau County? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES _____

NO _____

3. Will the proposed Project result in the removal or abandonment of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the proposed Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the proposed Project, located within Nassau County? If YES, identify the location of the plant or facility and provide explanation.

YES _____

NO _____

P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES ____

NO X__

Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES ____

NO X__

R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details at Schedule I.

YES ____

NO X__

S. Nature of Applicant's business (e.g., description of goods to be sold, products manufactured, assembled or processed, services rendered):

The Applicant's business will be a 163-room Residence Inn by Marriott

T. ANY RELATED PARTY PROPOSED TO BE A USER OF THE PROJECT: N/A

Name: _____

Relationship to Applicant: _____

Provide the information requested in Questions A through S above with respect to each such party by attachment at Schedule I.

PART II. PROPOSED PROJECT

A. Types of Financial Assistance Requested:

- ☐ Tax-Exempt Bonds
- ☐ Taxable Bonds
- ☐ Refunding Bonds
- ☒ Sales/Use Tax Exemption
- ☒ Mortgage Recording Tax Exemption
- ☒ Real Property Tax Exemption
- ☐ Other (specify): _____

B. Type of Proposed Project (check all that apply and provide requested information):

- ☒ New Construction of a Facility
Square footage: 118,000 sf
- ☐ Addition to Existing Facility
Square footage of existing facility: _____
Square footage of addition: _____
- ☐ Renovation of Existing Facility
Square footage of area renovated: _____
Square footage of existing facility: _____
- ☒ Acquisition of Land/Building
Acreage/square footage of land: 5.92 _____
Square footage of building: N/A _____
- ☒ Acquisition of Furniture/Machinery/Equipment
List principal items or categories:
Hotel furniture and office equipment customary with hotel
facilities _____

- ☐ Other (specify): _____

C. Briefly describe the purpose of the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

The proposed Project is a 163-room Residence Inn by Marriott, targeting business and leisure travelers from outside of Nassau and Suffolk Counties. Occupancies in Nassau County are near all-time high levels and there is a definitive need for quality lodging options near the Roosevelt Field Mall, where there is a strong amenity base. Financial

assistance from the Agency is imperative to allow the Applicant to construct and operate a hotel at the site due to the economic pressures of constructing and operating a hotel in Nassau County.

- D. Is there a likelihood that the proposed Project would not be undertaken by the Applicant but for the granting of the financial assistance by the Agency? (If yes, explain; if no, explain why the Agency should grant the financial assistance with respect to the proposed Project)

YES X

NO _____

Without financial assistance by the Agency, the financial risks associated with the Project would outweigh any ultimate benefits of the Project. The financial assistance sought by the Applicant will permit the Applicant to meet the needs of the community and to allow the Applicant to succeed in operating a quality hotel in the Roosevelt Field vicinity.

- E. If the Applicant is unable to arrange Agency financing or other Agency financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financing or other Agency financial assistance? Describe.

If the Applicant is unable to receive financial assistance from the Agency for the Project, the Applicant would not proceed with the Project. As a result, the County would not receive the anticipated economic benefits of having a viable hotel at the site, including the economic activity associated with the construction of the Project, such as the purchase of building materials and the providing of construction jobs; the creation of permanent long-term jobs resulting from the operation of a hotel at the site; the long-term and substantial increase of the real estate tax base for the taxing jurisdictions resulting from the construction of a new substantial structure; and the provision of a greatly needed quality hotel product in the Roosevelt Field area, which is an area of the County which has a dearth of quality hotels and where such a facility, such as the Project, is in great demand.

- F. Location of Project:

Street Address: TBD

City/Village(s): Garden City

Town(s): Hempstead

School District(s): Garden City

Tax Map Section: 44 Block: 77 Lot: 75A

Census Tract Number: _____

G. Present use of the Project site: Vacant.

H. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each): \$158,240

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details at Schedule I including copies of pleadings, decisions, etc.

YES

NO X

I. Describe proposed Project site ownership structure (*i.e.*, Applicant or other entity):

The Applicant will own the site.

J. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

The Applicant's business will be a 163-room Residence Inn by Marriott.

K. If any space in the Project is to be leased to or occupied by third parties (*i.e.*, parties not related to the Applicant), or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant: N/A

L. Provide, to the extent available, the information requested, in Part I, Questions A, B, D and O, with respect to any party described in the preceding response. N/A

M. Does the proposed Project meet zoning/land use requirements at proposed location?

YES ☒ X

NO ☐

1. Describe present zoning/land use: CR
2. Describe required zoning/land use, if different:
3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

Special Use Permit for the planned Project has been approved No further changes in zoning/land use will be required

N. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES ☐

NO ☒ X

O. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES ☒ X

NO ☐

Fee title to the Project site is currently held by the Retail Property Trust, which is a related entity to Garden City Hotel Fee, LLC, a 50% owner of the Applicant (as indicated in Part I, Item D of this Application).

If YES, indicate:

- (a) Date of purchase: _____
- (b) Purchase price: \$ _____
- (c) Balance of existing mortgage, if any: \$ _____
- (d) Name of mortgage holder: _____
- (e) Special conditions: _____

If NO, indicate name of present owner of Project site: _____

P. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES ☒ X

NO ☐

If YES, attach copy of contract or option at Schedule I and indicate: [See attached Contribution Agreement.]

(a) Date signed: 12/14/2016

(b) Purchase price: \$5,661,000

(c) Closing date: Concurrent with construction start—projected to be
July 2017

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?
If YES, describe:

YES X NO

Yes, the 50% owner of the Applicant, Garden City Hotel Fee, LLC is an entity related to the Seller.

Q. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Sales of Goods: YES X NO Sales of Services: YES X NO

R. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

The Project site is in an area which contains almost exclusively industrial and commercial properties. The impact on government-provided services is expected to be minimal.

S. Identify the following Project parties (if applicable):

Architect: GH2 Architects

Engineer: VHB

Contractors: TBD

- T. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES X NO

The project will be LEED Certified (The LEED rating is to be determined)

- U. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES NO X

- V. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES X NO

There is a lack of hotel facilities in the Roosevelt Field vicinity of the Project. The proposed availability of 163 hotel rooms to be generated by the Project will greatly benefit the residents of the County, as well as their family, friends and guests.

- W. Is the proposed Project site currently subject to an IDA transaction (whether through the Agency or otherwise)? If yes, explain.

YES NO X

PART III. CAPITAL COSTS OF THE PROJECT

- A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land and/or Building Acquisition	\$ 5,859,135

2.	Building Demolition	\$22,702,849
3.	Construction/Reconstruction/Renovation	\$
4.	Site Work	\$ 1,880,000
5.	Infrastructure Work	\$
6.	Architectural/Engineering Fees	\$ 1,372,500
7.	Applicant's Legal Fees	\$ 300,000
8.	Financial Fees	\$ 1,069,888
9.	Other Professional Fees	\$
10.	Furniture, Equipment & Machinery Acquisition (not included in 3. above)	\$ 3,998,165
11.	Other Soft Costs (describe)	\$
12.	Other (describe) Fees: Village, Development, Franchise, Start-up Costs	\$ 2,768,441
	Total	<u>\$39,950,978</u>

B. Estimated Sources of Funds for Project Costs:

a.	Tax-Exempt IDA Bonds:	\$ _____
b.	Taxable IDA Bonds:	\$ _____
c.	Conventional Mortgage Loans:	\$ <u>25,900,000</u>
d.	SBA or other Governmental Financing: Identify: _____	\$ _____
e.	Other Public Sources (e.g., grants, tax credits): Identify: _____	\$ _____
f.	Other Loans:	\$ _____
g.	Equity Investment: (excluding equity attributable to grants/tax credits)	\$ <u>14,050,978</u>
	TOTAL	\$ <u>39,950,978</u>

What percentage of the total project costs are
funded/financed from public sector sources: 0%

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES X NO _____
Only legal, architecture and engineering

D. Are items of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of the bond proceeds (if applicable)? If YES, provide details:

YES ____

NO ____

NOT APPLICABLE X__

- E. Will any of the funds to be borrowed through the Agency's issuance of bonds, if applicable, be used to repay or refinance an existing mortgage, outstanding loan or an outstanding bond issue? If YES, provide details:

YES ____

NO ____

NOT APPLICABLE X__

- F. Has the Applicant made any arrangement for the marketing or the purchase of the bonds or the provision of other third party financing (if applicable)? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES _____ NO _____ NOT APPLICABLE X _____

- G. Construction Cost Breakdown:

Total Cost of Construction: \$ 28,581,014 (sum of 2-5 and 10 in Question A above)

Cost for materials: \$ 17,148,608

% Sourced in County: _____ %

% Sourced in State: _____ % (incl. County)

Cost for labor: \$ 11,432,406

% Sourced in County: _____ %

% Sourced in State: _____ % (incl. County)

Cost for "other": \$ _____

% Sourced in County: _____ %

% Sourced in County: _____ % (incl. County)

The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to undertake and document the total amount of capital investment as set forth in this Application.

PART IV. COST/BENEFIT ANALYSIS

- A. If the Applicant presently operates in Nassau County, provide the current annual payroll. Estimate projected payroll at the Project site in First Year, Second Year and Third Year after completion of the Project: N/A

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$ <u>0</u>	\$ <u>760K</u>	\$ <u>782K</u>	\$ <u>806K</u>
Part-time: ¹	<u>0</u>	<u>190K</u>	<u>196K</u>	<u>202K</u>

List the average salaries or provide ranges of salaries for the following categories of jobs (on a full-time equivalency basis) projected to be retained/created in Nassau County as a result of the proposed Project:

¹ NOTE: The Agency converts part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

<u>Category of Jobs to be Retained:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management		
Professional		
Administrative		
Production		
Supervisor		
Laborer		
Independent Contractor ²		
Other		

<u>Category of Jobs to be Created:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management	\$62K	\$13K
Professional		
Administrative		
Production		
Supervisor	\$32K	\$6K
Laborer	\$26K	\$5k
Independent Contractor ³		
Other		

The Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

- B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES ____

NO X ____

² As used in this chart, this category includes employees of independent contractors.

³ As used in this chart, this category includes employees of independent contractors.

(ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

75-100

- C. What, if any, is the anticipated increase in the dollar amount of production, sales or services following completion of the Project? N/A

\$

What percentage of the foregoing amount is subject to New York sales and use tax?

 %

What percentage of the Applicant's total dollar amount of production, sales or services (including production, sales or services rendered following completion of the Project) are made to customers outside the economic development region (i.e., Nassau and Suffolk Counties)?

 85-90 %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

Permit fees to local municipalities, including local water district, Transient Occupancy Taxes

- D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	\$ <u>250K</u>	<u>30%</u>	<u>50%</u>
Year 2	\$ <u>260K</u>	<u>30%</u>	<u>50%</u>
Year 3	\$ <u>270K</u>	<u>30%</u>	<u>50%</u>

- E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

The County would receive numerous economic benefits as a result of the Project, including the economic activity associated with the construction of the Project, such as the purchase of building materials and the providing of construction jobs; the creation of permanent jobs resulting from the operation of a hotel at the site; and the long-term and substantial increase of the real estate tax base for the taxing jurisdictions resulting from the construction of a new substantial structure. THE COUNTY ALSO RECEIVES A PORTION OF TRANSIENT OCCUPANCY TAX.

- F. Estimated Value of Requested Financial Assistance:

Estimated Value of Sales Tax Benefit: \$ 1,479,067
(i.e., gross amount of cost of goods and services
that are subject to state and local sales and use taxes
multiplied by [8.625%])

Estimated Value of Mortgage Tax Benefit: \$ 271,950
(i.e., principal amount of mortgage loans
loans multiplied by [1.05%])

Estimated Property Tax Benefit:

Will the proposed Project utilize a property tax
exemption benefit other than from the Agency: NO
(if so, please describe)

Term of PILOT Requested: 20 years

Existing Property Taxes on Land and Building: \$158,240

Estimated Property Taxes on completed Project: \$ TBD
(without Agency financial assistance)

NOTE: Upon receipt of this Application by the Agency,
the Agency's staff will create a PILOT schedule and estimate
the amount of PILOT Benefit/Cost utilizing anticipated
tax rates and assessed valuation, and attach such information
as Exhibit A hereto.

- G. Describe and estimate any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

The Project will generate certain one-time municipal revenues, including Building Department permit fees and filing fees, fire marshal fees

PART V. PROJECT SCHEDULE

- A. If applicable, has construction/reconstruction/renovation work on the Project begun? If YES, indicate the percentage of completion: NO

- | | | | | |
|----|-------------------------------|----------|---------|----------------|
| 1. | (a) Site clearance | YES ____ | NO ____ | ____% complete |
| | (b) Environmental Remediation | YES ____ | NO ____ | ____% complete |
| | (c) Foundation | YES ____ | NO ____ | ____% complete |
| | (d) Footings | YES ____ | NO ____ | ____% complete |
| | (e) Steel | YES ____ | NO ____ | ____% complete |
| | (f) Masonry | YES ____ | NO ____ | ____% complete |
| | (g) Interior | YES ____ | NO ____ | ____% complete |
| | (h) Other (describe below): | YES ____ | NO ____ | ____% complete |

2. If NO to all of the above categories, what is the proposed date of commencement of construction, reconstruction, renovation, installation or equipping of the Project?

July 2017

- B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur:

15-18 months for construction, resulting in a late 2018/first quarter of 2019 opening.

PART VI. ENVIRONMENTAL IMPACT

- A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

See attached Long-Form Environmental Assessment Form

- B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES

NO X

- C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.
- D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES, under penalties of perjury, that the answers and information provided above and in any schedule, exhibit or statement attached hereto are true, accurate and complete, to the best of the knowledge of the undersigned.

Name of
Applicant: Palmetto – RPT Owner, LLC

Signature: _____

Name: _____

Title: _____

Date: _____

Sworn to before me this _____
day of _____, 20__

Notary Public

By: PALMETTO HOSPITALITY OF
GARDEN CITY III, LLC, a New York
limited liability company, its Member and
Managing Member

By: Palmetto Hospitality GM, LLC, a
South Carolina limited liability
company, its Manager

By: [Signature]
Name: Jason C. Lynch
Title: Manager

Sworn to before me this 7
day of June, 2017
Alice B. Smith
Notary Public



By: GARDEN CITY HOTEL FEE, LLC, a
Delaware limited liability company, its
Member

By: [Signature]
Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

Sworn to before me this 6th
day of July, 2017

Marilyn Gold Shipp
Notary Public



MARILYN GOLD SHIPP
Notary Public, State of Indiana
County of Marion
My Commission Exp. 10/7/2017

CERTIFICATIONS AND ACKNOWLEDGMENTS OF THE APPLICANT

FIRST:

The Applicant hereby certifies that, if financial assistance is provided by the Agency for the proposed project, no funds of the Agency (i) shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, (ii) be given to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State

SECOND:

The Applicant hereby certifies that no member, manager, principal, officer or director of the Applicant or any affiliate thereof has any blood, marital or business relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

The Applicant hereby certifies that neither the Applicant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners (other than equity owners of publicly-traded companies), nor any of their respective employees, officers, directors, or representatives (i) is a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury, including those named on OFAC's Specially Designated and Blocked Persons List, or under any statute, executive order or other governmental action, or (ii) has engaged in any dealings or transactions or is otherwise associated with such persons or entities.

FOURTH:

The Applicant hereby acknowledges that the Agency shall obtain and hereby authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

FIFTH:

The Applicant hereby certifies that each owner, occupant or operator that would receive financial assistance with respect to the proposed Project is in substantial compliance with applicable federal, state and local tax, worker protection and environmental laws, rules and regulations.

SIXTH:

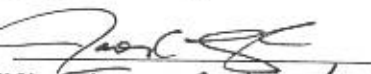
The Applicant hereby acknowledges that the submission to the Agency of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the recapture from the Applicant of an amount equal to all or any part of any tax exemption claimed by reason of the Agency's involvement in the Project.

SEVENTH:

The Applicant hereby certifies that, as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the General Municipal Law, including, but not limited to, the provisions of Section 859-a and Section 862(1) thereof.

By: PALMETTO HOSPITALITY OF GARDEN CITY III, LLC, a New York limited liability company, its Member and Managing Member

By: Palmetto Hospitality GM, LLC, a South Carolina limited liability company, its Manager

By: 
Name: Jason C. Lynch
Title: Manager

By: GARDEN CITY HOTEL FEE, LLC, a Delaware limited liability company, its Member

By: 
Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The undersigned, being duly sworn, deposes and says, under penalties of perjury, as follows: that I am the chief executive officer or other representative authorized to bind the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules, exhibits and attachments thereto), and that said contents are true, accurate and complete to the best of my knowledge and belief.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction, reconstruction, renovation, installation and/or equipping of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or if the Applicant is unable to find buyers willing to purchase the total bond issue required or is unable to secure other third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the required bond issue or other form of financing or Agency assistance, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Taxable Bond Issues - Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.
- (B) Tax-Exempt Bond Issues – Six-tenths (6/10) of one percent (1%) of total project costs.
- (C) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (D) All Initial Transactions - Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (E) Refundings – The Agency fee shall be determined on a case-by-case basis.
- (F) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (G) Modifications – The Agency fee shall be determined on a case-by-case basis.

The Agency's bond counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

The Agency's bond counsel's fees, general counsel fee and the administrative fees may be considered as a cost of the Project and included as part of any resultant financing, subject to compliance with applicable law.

Upon the termination of the financing of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, bond counsel, and all applicable recording, filing or other related fees, taxes and charges.

I further acknowledge and agree on behalf of the Applicant that, in the event the Agency shall have used all of its available tax-exempt bond financing allocation from the State of New York, if applicable, and shall accordingly be unable to obtain an additional allocation for the benefit of the Applicant, the Agency shall have no liability or responsibility as a result of the inability of the Agency to issue and deliver tax-exempt bonds for the benefit of the Applicant.

Palmetto – RPT Owner, LLC

Name
Title:

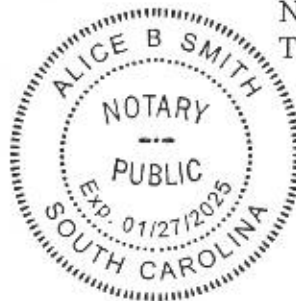
Subscribed and affirmed to me this _____
day of _____, 20__

Notary Public

By: PALMETTO HOSPITALITY OF
GARDEN CITY III, LLC, a New York
limited liability company, its Member and
Managing Member

By: Palmetto Hospitality GM, LLC, a
South Carolina limited liability
company, its Manager

By: [Signature]
Name: Jason C. Syret
Title: Manager



Subscribed and affirmed to me this 7
day of June, 2017

[Signature]
Notary Public

By: GARDEN CITY HOTEL FEE, LLC, a
Delaware limited liability company, its
Member

By: [Signature]

Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

Subscribed and affirmed to me this 6th
day of July, 2017

[Signature]
Notary Public



MARILYN GOLD SHIPP
Notary Public, State of Indiana
County of Marion
My Commission Exp. 10/7/2017

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Tax-Exempt Bond Manufacturing Questionnaire	If Applicant checked "YES" in Part I, Question H of Application, if applicable[[
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question O.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question Q of Application
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
G.	Environmental Assessment Form	All applicants
H.	Form NYS-45-MN	All applicants
I.	Other Attachments	As required

TAX-EXEMPT BOND MANUFACTURING QUESTIONNAIRE

(To be completed by the Applicant if the Applicant checked "YES" in Part I, Question H of the Application for Financial Assistance, if applicable).

Please complete the following questions for each facility to be financed. Use additional pages as necessary.

1. Describe the production process which occurs at the facility to be financed.

2. Allocate the facility to be financed by function (expressed in square footage) (e.g., production line, employee lunchroom, offices, restrooms, storage, warehouse, loading dock, repair shop, parking, research, sales, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.). Please attach blueprints of the facility to be financed.

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

TOTAL

3. Of the space allocated to offices above, identify by function (e.g., executive offices, payroll, production, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.).

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

TOTAL

4. Of the space allocated to storage or warehousing above, identify the square footage and location of the areas devoted to storage of the following:

SQ. FOOTAGE**LOCATION**

Raw Materials used
for production of
manufactured goods

Finished product storage

Component parts of
goods manufactured at
the facility

Purchased component
parts

Other (specify)

TOTAL

5. List raw materials used at the facility to be financed in the processing of the finished product(s).

6. List finished product(s) which are produced at the facility to be financed.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true and correct.

Name of
Applicant:

Signature:

Name:

Title:

Date:

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development. The Project documents will require the Applicant to provide such report to the Agency on or before February 11 of the succeeding year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.

- C. The following information must be provided for all bonds issued, outstanding or retired during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Date of issue; interest rate at end of year; bonds outstanding at beginning of year; bonds issued during year; principal payments made during year; bonds outstanding at end of year; federal tax status; and maturity date(s).

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.


Name of
Applicant: Palmetto – RPT Owner, LLC

Signature: _____
Name: _____
Title: _____
Date: _____

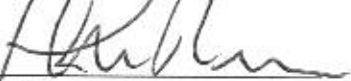
Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

By: PALMETTO HOSPITALITY OF
GARDEN CITY III, LLC, a New York
limited liability company, its Member and
Managing Member

By: Palmetto Hospitality GM, LLC, a
South Carolina limited liability
company, its Manager

By: 
Name: Jason C. Lynch
Title: Manager

By: GARDEN CITY HOTEL FEE, LLC, a
Delaware limited liability company, its
Member

By: 
Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES**INITIAL EMPLOYMENT PLAN**

Prior to the expenditure of bond proceeds or the granting of other financial assistance, the Applicant shall complete the following initial employment plan:

Applicant Name: Palmetto - RPT Owner, LLC

Address: 100 Dunbar Street, Suite 402; Spartanburg, SC 29306

Type of Business: Limited Liability Corporation--Hotel

Contact Person: Charles T. King Tel. No.: 864.327.4038

Please complete the following table describing the projected full-time equivalent employment plan for the proposed Project following receipt of financial assistance:

<u>Current and Planned Occupations</u>	<u>Present Jobs Per Occupation</u>	<u>Estimated Number of Full Time Equivalent Jobs After Completion of the Project:⁴</u>			<u>Estimate of Number of Residents of the LMA⁵ that would fill such jobs by the third year</u>
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	
<u>Management</u>	<u> </u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>
<u>Professional</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Administrative</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Production</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Supervisor</u>	<u> </u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>Laborer</u>	<u> </u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>25</u>
<u>Independent Contractor</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Other (describe)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

⁴ NOTE: Convert part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

⁵ The "LMA" means the Local Market Area, which is defined by the Agency as Nassau and Suffolk Counties. The Labor Market Area is the same as the Long Island Economic Development Region, as established pursuant to Section 230 of the New York State Economic Development Law.

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: 5-10

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

Management Positions – 6 months prior to opening

Supervisor and Laborer – 2 months prior to opening

Are the Applicant's employees currently covered by a collective bargaining agreement?

YES

NO X

IF YES, Union Name and Local: _____

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto as Schedule H is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.


The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: Palmetto – RPT Owner, LLC

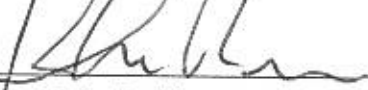
Signature: _____
Name: _____
Title: _____
Date: _____

By: PALMETTO HOSPITALITY OF
GARDEN CITY III, LLC, a New York
limited liability company, its Member and
Managing Member

By: Palmetto Hospitality GM, LLC, a
South Carolina limited liability
company, its Manager

By: 
Name: Jason C. Lynd
Title: Manager

By: GARDEN CITY HOTEL FEE, LLC, a
Delaware limited liability company, its
Member

By: 
Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question O of the Application for Financial Assistance)

- A. Will the completion of the Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant or of a proposed user, occupant or tenant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES ____

NO ____

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility or the plants or facilities from which employees are relocated: ____

Names of all current users, occupants or tenants of the to-be-removed plant or facility: ____

- B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed user, occupant or tenant of the Project, located in an area of the State of New York other than in Nassau County?

YES ____

NO ____

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: ____

Names of all current occupants of the to-be-abandoned plants or facilities: ____

- C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities? N/A

YES ____

NO ____

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

- D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed user, occupant or tenant of the Project, in its industry?

YES ____

NO ____

- E. Is the Project reasonably necessary to discourage the Applicant, or a proposed user, occupant or tenant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES ____

NO ____

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

Accordingly, the Applicant certifies that the provisions of Section 862(1) of the General Municipal Law will not be violated if financial assistance is provided by the Agency for the proposed Project.

NOTE: If the proposed Project involves the removal or abandonment of a plant or facility of the Applicant, or a proposed user, occupant or tenant of the Project, within the State of New York, notification will be made by the Agency to the chief executive officer(s) of the municipality or municipalities in which such plant or facility was located.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of
Applicant: _____

Signature: _____

Name: _____

Title: _____

Date: _____

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question Q of the Application for Financial Assistance)

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES X NO

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or sources other than Agency financing) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

 <5 %

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Nassau and Suffolk Counties) in which the Project is or will be located?

YES X (see below)NO

As there is only one other Residence Inn in the County, its established loyal customer base can be expected to seek out the Project which, together with the conclusion set forth on page 38 of the Proposed Residence Inn Market & Economic Impact Study prepared by PKF Consulting USA, a hotel consultant retained by the Company, dated August 2015 (a copy of which Study is attached hereto), that the Project should "attract new guests from outside of the immediate competitive hotel market", the Project, if it constitutes "retail" use, should be viewed as a tourism destination, i.e., it would attract a significant number of visitors that would not otherwise be expected to come to the area. The Project will be part of the Roosevelt Field Mall campus and will be cross-promoted by the mall as an attraction.

2. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES X (see response to No. 1 above)NO

3. Will the Project be located in one of the following: (a) an area designated as an empire zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES ____

NO X

If the answer to any of the subdivisions 1 through 3 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 2 through 3 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES X

NO ____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: 2 %

Services: 98 %

- F. State percentage of Project premises utilized for same:

Retail Sales: 2 %

Services: 98 %

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

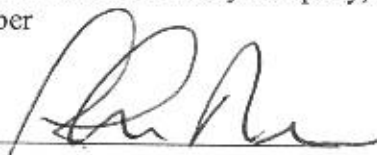
Name of Applicant:	Palmetto – RPT Owner, LLC
Signature:	_____
Name:	_____
Title:	_____
Date:	_____

By: PALMETTO HOSPITALITY OF
GARDEN CITY III, LLC, a New York
limited liability company, its Member and
Managing Member

By: Palmetto Hospitality GM, LLC, a
South Carolina limited liability
company, its Manager

By: 
Name: Jason C. Lynch
Title: Manager

By: GARDEN CITY HOTEL FEE, LLC, a
Delaware limited liability company, its
Member

By: 
Name: John Rulli
Title: President of Malls –
Chief Administrative Officer

APPLICANT'S FINANCIAL ATTACHMENTS

As the Applicant was formed in December 2016, there are no historical financial statements.

ENVIRONMENTAL ASSESSMENT FORM

See attached Full Environmental Assessment Form attached hereto.
The SEQRA determination will be provided when received.

Full Environmental Assessment Form
Part 1 - Project and Setting

Instructions for Completing Part 1

Part 1 is to be completed by the applicant or project sponsor. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the project sponsor to verify that the information contained in Part 1 is accurate and complete.

A. Project and Sponsor Information.

Name of Action or Project: Amendment to the C-R Commercial Restricted Zoning District of the Village of Garden City and Proposed Special Permit and Site Plan Approval Request for a Hotel at Roosevelt Field Mall		
Project Location (describe, and attach a general location map): The C-R Zoning District is east of Clinton Road and west of the Roosevelt Field Ring Road (see C-R Zoning District Location Map). The subject property is located southwest of Roosevelt Field Mall along Ring Road West, Village of Garden City, Town of Hempstead (see Site Location map)		
Brief Description of Proposed Action (include purpose or need): <div style="border: 1px solid black; padding: 10px; min-height: 100px;"> See Attachment </div>		
Name of Applicant/Sponsor: OTO Development, LLC		Telephone: (732) 528-3172 E-Mail: msmyth@otodevelopment.com
Address: 100 Dunbar Street, Suite 402		
City/PO: Spartanburg	State: South Carolina	Zip Code: 29306
Project Contact (if not same as sponsor; give name and title/role): Miller Smyth, Development Manager at OTO Development LLC		Telephone: (732) 528-3172 E-Mail: msmyth@otodevelopment.com
Address: 100 Dunbar Street, Suite 402		
City/PO: Spartanburg	State: South Carolina	Zip Code: 29306
Property Owner (if not same as sponsor):		Telephone: E-Mail:
Address:		
City/PO:	State:	Zip Code:

B. Government Approvals

B. Government Approvals, Funding, or Sponsorship. ("Funding" includes grants, loans, tax relief, and any other forms of financial assistance.)

Government Entity	If Yes: Identify Agency and Approval(s) Required	Application Date (Actual or projected)
a. City Council, Town Board, <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or Village Board of Trustees	See Attachment for Required Permits and Approvals	
b. City, Town or Village <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Planning Board or Commission		
c. City Council, Town or <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Village Zoning Board of Appeals		
d. Other local agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
e. County agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
f. Regional agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
g. State agencies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
h. Federal agencies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
i. Coastal Resources.		
i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway? If yes,		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
ii. Is the project site located in a community with an approved Local Waterfront Revitalization Program?		<input type="checkbox"/> Yes <input type="checkbox"/> No
iii. Is the project site within a Coastal Erosion Hazard Area?		<input type="checkbox"/> Yes <input type="checkbox"/> No

C. Planning and Zoning

C.1. Planning and zoning actions.

Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed? ☐ Yes ☒ No

- If Yes, complete sections C, F and G.
- If No, proceed to question C.2 and complete all remaining sections and questions in Part 1

C.2. Adopted land use plans.

a. Do any municipally- adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located? ☒ Yes ☐ No

If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located? **See Attachment** ☒ Yes ☐ No

b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway Brownfield Opportunity Area (BOA); designated State or Federal heritage area; watershed management plan; or other?) ☐ Yes ☒ No

If Yes, identify the plan(s):

c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan? ☐ Yes ☒ No

If Yes, identify the plan(s):

C.3. Zoning

- a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance. ☒ Yes ☐ No
If Yes, what is the zoning classification(s) including any applicable overlay district?
C-R Commercial Restricted Zoning District of the Village of Garden City

- b. Is the use permitted or allowed by a special or conditional use permit? *The proposed hotel would be permitted in the C-R District, as amended, upon approval of the Village Board of Trustees. ☐ Yes ☒ No *
- c. Is a zoning change requested as part of the proposed action? ☐ Yes ☒ No *
- If Yes,
- i. What is the proposed new zoning for the site? * The use regulations of the C-R Commercial Restricted Zoning District would be amended.

C.4. Existing community services.

- a. In what school district is the project site located? Garden City Public Schools
- b. What police or other public protection forces serve the project site?
Garden City Police Department
- c. Which fire protection and emergency medical services serve the project site?
Garden City Fire Department provides fire protection and emergency medical services to the subject property.
- d. What parks serve the project site?
None.

D. Project Details

D.1. Proposed and Potential Development

- a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)? Commercial
- b. a. Total acreage of the site of the proposed action? 11.5± acres **
b. Total acreage to be physically disturbed? 11.5± acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 5.92± acres ***
- c. Is the proposed action an expansion of an existing project or use? ☐ Yes ☒ No
i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)? % _____ Units: _____
- d. Is the proposed action a subdivision, or does it include a subdivision? ☐ Yes ☒ No
If Yes,
i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types) _____
ii. Is a cluster/conservation layout proposed? ☐ Yes ☐ No
iii. Number of lots proposed? _____
iv. Minimum and maximum proposed lot sizes? Minimum _____ Maximum _____
- e. Will proposed action be constructed in multiple phases? ☐ Yes ☒ No
i. If No, anticipated period of construction: 15-18 months
ii. If Yes:
 - Total number of phases anticipated _____
 - Anticipated commencement date of phase 1 (including demolition) _____ month _____ year
 - Anticipated completion date of final phase _____ month _____ year
 - Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: _____

**The C-R Zoning District comprises 50± acres within the Village.

***The subject property, and site of the proposed hotel, is ±5.92 acres. However, as the proposed action involves the modification of an existing recharge basin under an easement from an adjacent property owner, the overall acreage of the proposed action is 11.5± acres.

f. Does the project include new residential uses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
If Yes, show numbers of units proposed.				
	<u>One Family</u>	<u>Two Family</u>	<u>Three Family</u>	<u>Multiple Family (four or more)</u>
Initial Phase	_____	_____	_____	_____
At completion of all phases	_____	_____	_____	_____

g. Does the proposed action include new non-residential construction (including expansions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes,	
i. Total number of structures <u>1</u>	
ii. Dimensions (in feet) of largest proposed structure: <u>55.75±</u> height; <u>140.5±</u> width; and <u>466±</u> length	
iii. Approximate extent of building space to be heated or cooled: <u>117,370±</u> square feet	

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage? * <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes,	
i. Purpose of the impoundment: <u>Stormwater retention and recharge</u>	
ii. If a water impoundment, the principal source of the water: <input type="checkbox"/> Ground water <input type="checkbox"/> Surface water streams <input checked="" type="checkbox"/> Other specify: <u>Stormwater</u>	
iii. If other than water, identify the type of impounded/contained liquids and their source. <u>N/A</u>	
iv. Approximate size of the proposed impoundment. Volume: <u>9.7±</u> million gallons; surface area: <u>4.9±</u> acres	
v. Dimensions of the proposed dam or impounding structure: <u>22±</u> height; <u>800±</u> length	
vi. Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete): <u>The existing recharge basin would be reduced in surface area. However, excavation of earth fill would increase storage capacity by 100,000± cubic feet (CF).</u>	

D.2. Project Operations

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both? (Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes:	
i. What is the purpose of the excavation or dredging? _____	
ii. How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?	
• Volume (specify tons or cubic yards): _____	
• Over what duration of time? _____	
iii. Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them. _____ _____	
iv. Will there be onsite dewatering or processing of excavated materials? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, describe. _____	
v. What is the total area to be dredged or excavated? _____ acres	
vi. What is the maximum area to be worked at any one time? _____ acres	
vii. What would be the maximum depth of excavation or dredging? _____ feet	
viii. Will the excavation require blasting? <input type="checkbox"/> Yes <input type="checkbox"/> No	
ix. Summarize site reclamation goals and plan: _____ _____ _____	

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes:	
i. Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): <u>The existing recharge basin, located south of the proposed hotel, is identified by the National Wetlands inventory as a palustrine, unconsolidated bottom, permanently flooded, excavated feature (PUBHx).</u>	

*Modification of an existing recharge basin.

ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:
The existing recharge basin would be altered to allow for parking to be installed along its northern edge, and the existing berm within the recharge basin would be removed. Upon implementation of the proposed action, surface area of the recharge basin would go from 5.6± acres to 4.9± acres, however its capacity would increase by approximately 100,000 CF.

iii. Will proposed action cause or result in disturbance to bottom sediments? ☐ Yes ☒ No
If Yes, describe: _____

iv. Will proposed action cause or result in the destruction or removal of aquatic vegetation? ☐ Yes ☒ No
If Yes:

- acres of aquatic vegetation proposed to be removed: _____
- expected acreage of aquatic vegetation remaining after project completion: _____
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): _____
- proposed method of plant removal: _____
- if chemical/herbicide treatment will be used, specify product(s): _____

v. Describe any proposed reclamation/mitigation following disturbance: The proposed action includes the modification of an existing recharge basin, which was created for stormwater storage. Upon implementation, the recharge basin will continue to serve this function with an increase in capacity of ±100,000 CF.

c. Will the proposed action use, or create a new demand for water? ☒ Yes ☐ No
If Yes:

i. Total anticipated water usage/demand per day: _____ 26,895 gallons/day *

ii. Will the proposed action obtain water from an existing public water supply? ☒ Yes ☐ No
If Yes:

- Name of district or service area: Village of Garden City Water System
- Does the existing public water supply have capacity to serve the proposal? **See Attachment** ☐ Yes ☐ No
- Is the project site in the existing district? ☐ Yes ☐ No
- Is expansion of the district needed? ☐ Yes ☐ No
- Do existing lines serve the project site? ☐ Yes ☐ No

iii. Will line extension within an existing district be necessary to supply the project?

If Yes:

- Describe extensions or capacity expansions proposed to serve this project: _____
- Source(s) of supply for the district: _____

iv. Is a new water supply district or service area proposed to be formed to serve the project site? ☐ Yes ☒ No
If Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- Proposed source(s) of supply for new district: _____

v. If a public water supply will not be used, describe plans to provide water supply for the project: _____

vi. If water supply will be from wells (public or private), maximum pumping capacity: _____ gallons/minute.

d. Will the proposed action generate liquid wastes? ☒ Yes ☐ No
If Yes:

i. Total anticipated liquid waste generation per day: _____ 24,450 gallons/day *

ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each): Sanitary wastewater

iii. Will the proposed action use any existing public wastewater treatment facilities? **See Attachment** ☒ Yes ☐ No
If Yes:

- Name of wastewater treatment plant to be used: _____
- Name of district: _____
- Does the existing wastewater treatment plant have capacity to serve the project? ☐ Yes ☐ No
- Is the project site in the existing district? ☐ Yes ☐ No
- Is expansion of the district needed? ☐ Yes ☐ No

*Water/sanitary calculations based on flow factor of 150 gallons per day (GPD) per room and 163 rooms. An additional 10 percent of flow was added to the water use calculation to estimate irrigation.

- Do existing sewer lines serve the project site? ☐ Yes ☐ No
 - Will line extension within an existing district be necessary to serve the project? ☐ Yes ☐ No
- If Yes:
- Describe extensions or capacity expansions proposed to serve this project: _____

iv. Will a new wastewater (sewage) treatment district be formed to serve the project site? ☐ Yes ☒ No

If Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- What is the receiving water for the wastewater discharge? _____

v. If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water (name and classification if surface discharge, or describe subsurface disposal plans): _____

vi. Describe any plans or designs to capture, recycle or reuse liquid waste: _____

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e. ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e. sheet flow) during construction or post construction? ☒ Yes ☐ No

If Yes:

i. How much impervious surface will the project create in relation to total size of project parcel? **Associated with hotel parcel**

121,164± Square feet or 2.78± acres (impervious surface)

257,875± Square feet or 5.92± acres (parcel size)

ii. Describe types of new point sources. There will be a drainage pipe connecting the hotel property to the existing recharge basin

iii. Where will the stormwater runoff be directed (i.e. on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?

The existing recharge basin to be modified, located adjacent and south of the proposed hotel

- If to surface waters, identify receiving water bodies or wetlands: N/A

- Will stormwater runoff flow to adjacent properties? ☒ Yes ☐ No

iv. Does proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater? ☐ Yes ☒ No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations? ☐ Yes ☒ No

If Yes, identify:

i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)

ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)

iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit? ☐ Yes ☒ No

If Yes:

i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year) ☐ Yes ☐ No

ii. In addition to emissions as calculated in the application, the project will generate:

- _____ Tons/year (short tons) of Carbon Dioxide (CO₂)
- _____ Tons/year (short tons) of Nitrous Oxide (N₂O)
- _____ Tons/year (short tons) of Perfluorocarbons (PFCs)
- _____ Tons/year (short tons) of Sulfur Hexafluoride (SF₆)
- _____ Tons/year (short tons) of Carbon Dioxide equivalent of Hydrofluorocarbons (HFCs)
- _____ Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

*The existing recharge basin is located on an adjacent property.

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)? ☐ Yes ☒ No

If Yes:

i. Estimate methane generation in tons/year (metric): _____

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): _____

i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations? ☐ Yes ☒ No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust): _____

j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services? ☐ Yes ☒ No

If Yes: **SEE TRAFFIC IMPACT STUDY AND ADDENDUM, UNDER SEPARATE COVER**

i. When is the peak traffic expected (Check all that apply): ☐ Morning ☐ Evening ☐ Weekend
☐ Randomly between hours of _____ to _____

ii. For commercial activities only, projected number of semi-trailer truck trips/day: _____

iii. Parking spaces: Existing _____ Proposed _____ Net increase/decrease _____

iv. Does the proposed action include any shared use parking? ☐ Yes ☐ No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe: _____

vi. Are public/private transportation service(s) or facilities available within ½ mile of the proposed site? ☐ Yes ☐ No

vii. Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles? ☐ Yes ☐ No

viii. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes? ☐ Yes ☐ No

k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy? ☒ Yes ☐ No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action: To be determined.

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other):
Via connection to existing grid.

iii. Will the proposed action require a new, or an upgrade to, an existing substation? ☐ Yes ☒ No

l. Hours of operation. Answer all items which apply.

i. During Construction:	ii. During Operations:
• Monday - Friday: <u>8:00 a.m. - 8:00 p.m.*</u>	• Monday - Friday: <u>24 hours / 7 days **</u>
• Saturday: <u>9:00 a.m. - 8:00 p.m.*</u>	• Saturday: <u>24 hours / 7 days **</u>
• Sunday: <u>9:00 a.m. - 8:00 p.m.*</u>	• Sunday: <u>24 hours / 7 days **</u>
• Holidays: <u>N/A</u>	• Holidays: <u>24 hours / 7 days **</u>

*In accordance with Village regulations - Section 152-9 of the Village Code.

**Represents typical hotel hours of operation.

m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both? ☒ Yes ☐ No

If yes:

i. Provide details including sources, time of day and duration:

Ambient noise levels may be temporarily exceeded during construction activities, which would take place, in accordance with the Village Code between the hours of 8:00 a.m. and 8:00 p.m., Monday through Friday and 9:00 a.m. and 8:00 p.m. Saturday and Sunday.

ii. Will proposed action remove existing natural barriers that could act as a noise barrier or screen? ☒ Yes ☐ No

Describe: Existing vegetation would be removed, but noise would not significantly impact the surrounding area.

n. Will the proposed action have outdoor lighting? ☒ Yes ☐ No

If yes:

i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:

Specific lighting to be determined. However, lighting on-site would be in accordance with prevailing Village of Garden City standards, would be dark-sky compliant, and light spillover at the property lines would be avoided and/or mitigated to the maximum extent practicable with shielded lights.

ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen? ☒ Yes ☐ No

Describe: Existing vegetation would be removed, but lighting would not significantly impact the surrounding area.

o. Does the proposed action have the potential to produce odors for more than one hour per day? ☐ Yes ☒ No
If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures:

p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage? ☐ Yes ☒ No

If Yes:

i. Product(s) to be stored

ii. Volume(s) _____ per unit time _____ (e.g., month, year)

iii. Generally describe proposed storage facilities:

q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation? ☒ Yes ☐ No

If Yes:

i. Describe proposed treatment(s):

Operation of the proposed hotel would involve routine landscaping maintenance chemicals, but application would be in accordance with all applicable regulations.

ii. Will the proposed action use Integrated Pest Management Practices? ☐ Yes ☒ No

r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)? ☒ Yes ☐ No

If Yes:

i. Describe any solid waste(s) to be generated during construction or operation of the facility:

• Construction: _____ TBD tons per _____ TBD (unit of time)

• Operation: _____ 7.3 tons per _____ month (unit of time) *

ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:

• Construction: Recyclables would be disposed of in accordance with prevailing Village of Garden City regulations.

• Operation: Recyclables would be disposed of in accordance with prevailing Village of Garden City regulations.

iii. Proposed disposal methods/facilities for solid waste generated on-site:

• Construction: Solid waste would be collected and disposed of by private carter.

• Operation: Solid waste would be collected and disposed of by private carter.

*Solid waste calculations based upon a generation factor of 3.0 pounds per room per day for the 163 rooms in the proposed hotel (Salvato, J., et al., Environmental Engineering, Fifth Ed. 2003.)

s. Does the proposed action include construction or modification of a solid waste management facility? ☐ Yes ☒ No

If Yes:

i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill, or other disposal activities): _____

ii. Anticipated rate of disposal/processing: _____

- _____ Tons/month, if transfer or other non-combustion/thermal treatment, or
- _____ Tons/hour, if combustion or thermal treatment

iii. If landfill, anticipated site life: _____ years

t. Will proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste? ☐ Yes ☒ No

If Yes:

i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: _____

ii. Generally describe processes or activities involving hazardous wastes or constituents: _____

iii. Specify amount to be handled or generated _____ tons/month

iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: _____

v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility? ☐ Yes ☐ No

If Yes: provide name and location of facility: _____

If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility: _____

E. Site and Setting of Proposed Action

E.1. Land uses on and surrounding the project site

a. Existing land uses.

i. Check all uses that occur on, adjoining and near the project site.

- ☒ Urban ☐ Industrial ☒ Commercial ☒ Residential (suburban) ☐ Rural (non-farm)
- ☒ Forest ☐ Agriculture ☐ Aquatic ☒ Other (specify): Recharge basin, public utility water tank, educational

ii. If mix of uses, generally describe:

The site currently contains vacant, wooded land and a portion of a recharge basin, within an area consisting of a mix of uses including commercial, single-family residential, educational and public utility.

b. Land uses and covertypes on the project site. *

Land use or Covertype	Current Acreage	Acreage After Project Completion	Change (Acres +/-)
• Roads, buildings, and other paved or impervious surfaces	0.6±	3.4±	2.8±
• Forested	5.3±	0	-5.3±
• Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural)			
• Agricultural (includes active orchards, field, greenhouse etc.)			
• Surface water features (lakes, ponds, streams, rivers, etc.)			
• Wetlands (freshwater or tidal)			
• Non-vegetated (bare rock, earth or fill)			
• Other Describe: <u>Landscaping</u> <u>Recharge basin</u>	0 5.6±	3.2± 4.9±	3.2± -0.7±

*Site coverage acreage, as provided in the table herein, reflects the 5.92±-acre hotel site and the 5.58±-acre site of the existing recharge basin. Note that the proposed action is also a modification of the C-R Zoning District, which includes 50± acres largely associated with office development within the Village of Garden City.

c. Is the project site presently used by members of the community for public recreation? ☐ Yes ☒ No
i. If Yes: explain: _____

d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site? ☒ Yes ☐ No
If Yes,
i. Identify Facilities:
Stewart Elementary School - 1,100± feet.

e. Does the project site contain an existing dam? ☐ Yes ☒ No
If Yes:
i. Dimensions of the dam and impoundment:
• Dam height: _____ feet
• Dam length: _____ feet
• Surface area: _____ acres
• Volume impounded: _____ gallons OR acre-feet
ii. Dam's existing hazard classification: _____
iii. Provide date and summarize results of last inspection: _____

f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility? ☐ Yes ☒ No
If Yes:
i. Has the facility been formally closed? ☐ Yes ☐ No
• If yes, cite sources/documentation: _____
ii. Describe the location of the project site relative to the boundaries of the solid waste management facility: _____
iii. Describe any development constraints due to the prior solid waste activities: _____

g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste? ☐ Yes ☒ No
If Yes:
i. Describe waste(s) handled and waste management activities, including approximate time when activities occurred: _____

h. Potential contamination history. Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site? ☒ Yes ☐ No
If Yes:
i. Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply: ☐ Yes ☒ No
☐ Yes - Spills Incidents database Provide DEC ID number(s): _____
☐ Yes - Environmental Site Remediation database Provide DEC ID number(s): _____
☐ Neither database
ii. If site has been subject of RCRA corrective activities, describe control measures: N/A
iii. Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database? ☒ Yes ☐ No *
If yes, provide DEC ID number(s): 130120, 130051, 130016.
iv. If yes to (i), (ii) or (iii) above, describe current status of site(s):
130120-State Superfund Program. Remedial actions completed in 2008. An easement will be placed on the site to govern use restrictions.
130051-State Superfund Program. Public water in the vicinity is being monitored and additional investigations will be needed to assess potential for soil vapor intrusion.
130016-State Superfund Program. Groundwater has been remediated by remedial actions concluded in 1997.

*Based upon the proximity of the proposed development to the Old Roosevelt Field Air Hangar Superfund Site (DEC ID No. 130051), a health and safety plan (HASP) will be prepared prior to the commencement of construction activities at the project site. The HASP will be prepared to protect on-site construction workers from exposure to volatile organic compounds (VOCs) related to the Superfund Site.

v. Is the project site subject to an institutional control limiting property uses? ☐ Yes ☒ No

- If yes, DEC site ID number: _____
- Describe the type of institutional control (e.g., deed restriction or easement): _____
- Describe any use limitations: _____
- Describe any engineering controls: _____
- Will the project affect the institutional or engineering controls in place? ☐ Yes ☐ No
- Explain: _____

E.2. Natural Resources On or Near Project Site

a. What is the average depth to bedrock on the project site? _____ $\pm 1,075$ feet below grade surface (bgs)

b. Are there bedrock outcroppings on the project site? ☐ Yes ☒ No
If Yes, what proportion of the site is comprised of bedrock outcroppings? _____ %

c. Predominant soil type(s) present on project site:

Urban land, Hempstead complex(Uh)	75 \pm %
Pits, Groundwater recharge (Pg)	20 \pm %
Urban land (Ug)	5 \pm %

d. What is the average depth to the water table on the project site? Average: _____ 24 \pm feet

e. Drainage status of project site soils: ☒ Well Drained: _____ 100 % of site
☐ Moderately Well Drained: _____ % of site
☐ Poorly Drained: _____ % of site

f. Approximate proportion of proposed action site with slopes: ☒ 0-10%: _____ 80 \pm % of site
☐ 10-15%: _____ % of site
☒ 15% or greater: _____ 20 \pm % of site

g. Are there any unique geologic features on the project site? ☐ Yes ☒ No
If Yes, describe: _____

h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)? ☒ Yes ☐ No

ii. Do any wetlands or other waterbodies adjoin the project site? ☒ Yes ☐ No
If Yes to either i or ii, continue. If No, skip to E.2.i.

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency? ☒ Yes ☐ No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

Streams:	Name _____	Classification _____
Lakes or Ponds:	Name _____	Classification _____
Wetlands:	Name _____	Approximate Size 1.4 acres
Wetland No. (if regulated by DEC)	_____	

v. Are any of the above water bodies listed in the most recent compilation of NYS water quality-impaired waterbodies? ☐ Yes ☒ No
If yes, name of impaired water body/bodies and basis for listing as impaired: _____

i. Is the project site in a designated Floodway? ☐ Yes ☒ No

j. Is the project site in the 100 year Floodplain? ☐ Yes ☒ No

k. Is the project site in the 500 year Floodplain? ☐ Yes ☒ No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer? ☒ Yes ☐ No
If Yes:
i. Name of aquifer: Nassau - Suffolk Sole Source Aquifer

*The Roosevelt Field Mall recharge basin is classified as a palustrine, unconsolidated bottom, permanently flooded, excavated feature by the National Wetlands Inventory. This recharge basin currently collects stormwater from the Roosevelt Field Mall and other adjacent properties.

<p>m. Identify the predominant wildlife species that occupy or use the project site: <u>Typical suburban species</u> _____ _____ _____</p>	
<p>n. Does the project site contain a designated significant natural community? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes: i. Describe the habitat/community (composition, function, and basis for designation): _____ ii. Source(s) of description or evaluation: _____ iii. Extent of community/habitat: • Currently: _____ acres • Following completion of project as proposed: _____ acres • Gain or loss (indicate + or -): _____ acres</p>	
<p>o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, give a brief description of how the proposed action may affect that use: _____ _____</p>	
<p>E.3. Designated Public Resources On or Near Project Site</p>	
<p>a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, provide county plus district name/number: _____</p>	
<p>b. Are agricultural lands consisting of highly productive soils present? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No i. If Yes: acreage(s) on project site? _____ ii. Source(s) of soil rating(s): _____</p>	
<p>c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes: i. Nature of the natural landmark: <input type="checkbox"/> Biological Community <input type="checkbox"/> Geological Feature ii. Provide brief description of landmark, including values behind designation and approximate size/extent: _____ _____ _____</p>	
<p>d. Is the project site located in or does it adjoin a state listed Critical Environmental Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes: i. CEA name: _____ ii. Basis for designation: _____ iii. Designating agency and date: _____</p>	

e. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on, or has been nominated by the NYS Board of Historic Preservation for inclusion on, the State or National Register of Historic Places?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
i. Nature of historic/archaeological resource: <input type="checkbox"/> Archaeological Site <input type="checkbox"/> Historic Building or District	
ii. Name: _____	
iii. Brief description of attributes on which listing is based: _____	
f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
g. Have additional archaeological or historic site(s) or resources been identified on the project site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
i. Describe possible resource(s): _____	
ii. Basis for identification: _____	
h. Is the project site within five miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes:	
i. Identify resource: Meadowbrook State Parkway - Scenic Byway, 0.4 miles; Northern State Parkway - Scenic Byway, 1.5 miles; Southern State Parkway - Scenic Byway, 3.4 miles; Wantagh State Parkway - Scenic Byway, 3.8 miles; Hempstead Lake State Park, 3 miles.	
ii. Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): <u>See above</u>	
iii. Distance between project and resource: <u>See above</u> miles.	
i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes:	
i. Identify the name of the river and its designation: _____	
ii. Is the activity consistent with development restrictions contained in 6NYCRR Part 666?	
	<input type="checkbox"/> Yes <input type="checkbox"/> No

F. Additional Information

Attach any additional information which may be needed to clarify your project.

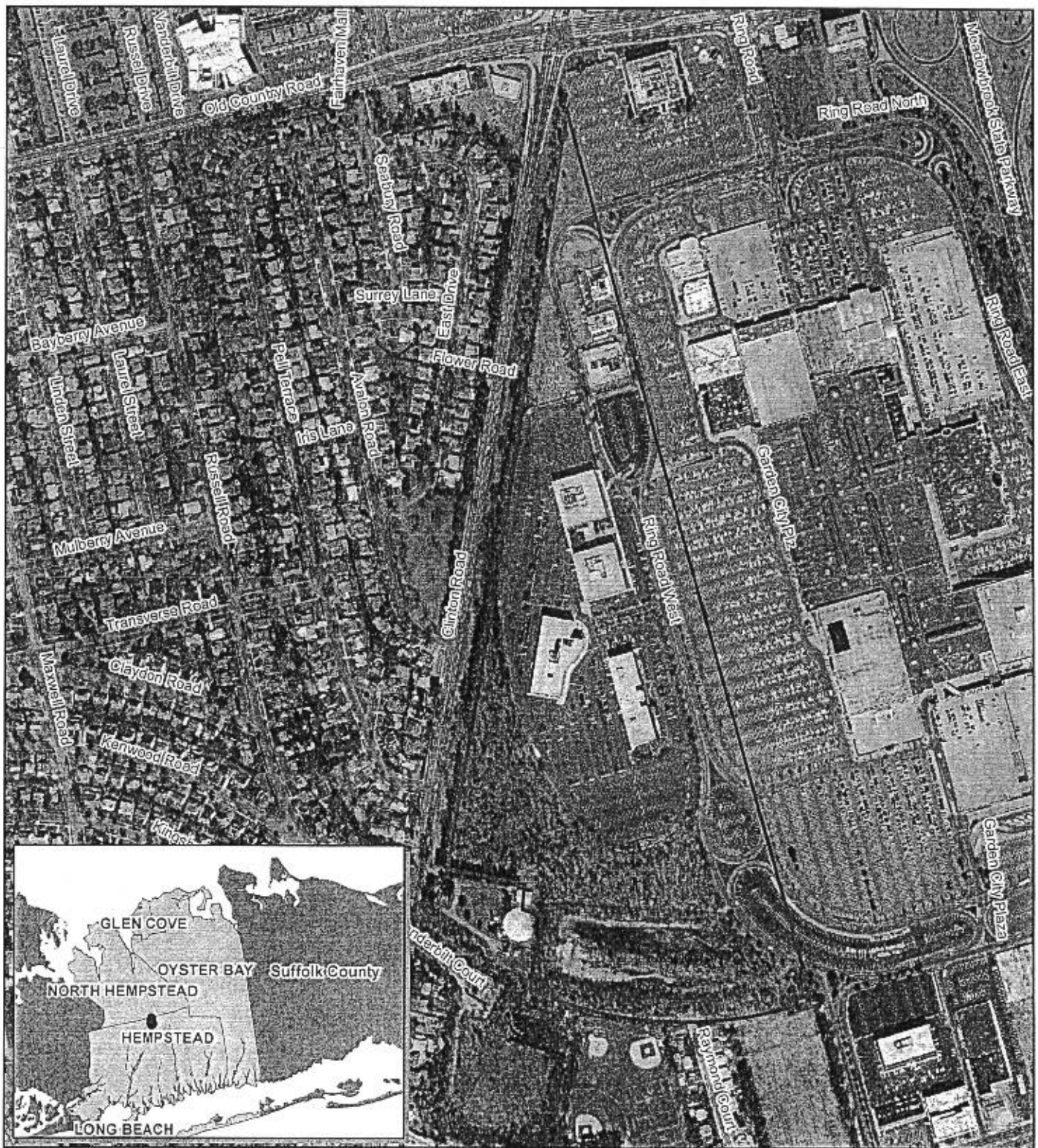
If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

G. Verification

I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name OTO Development, LLC by VHB Date May 9, 2016

Signature Gail A. Pesner Title Senior Project Manager
 Gail A. Pesner, AICP



C-R ZONING DISTRICT LOCATION


PROJECT NAME: Proposed C-R Zoning District Modification and Hotel at Roosevelt Field Mall
STREET ADDRESS: North of Vanderbilt Court and south of Old Country Road, between Clinton Road and Roosevelt Field Mall

MUNICIPALITY, STATE, ZIP: Village of Garden City, Town of Hempstead, NY 11501

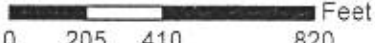
PROJECT NUMBER: 29322.00

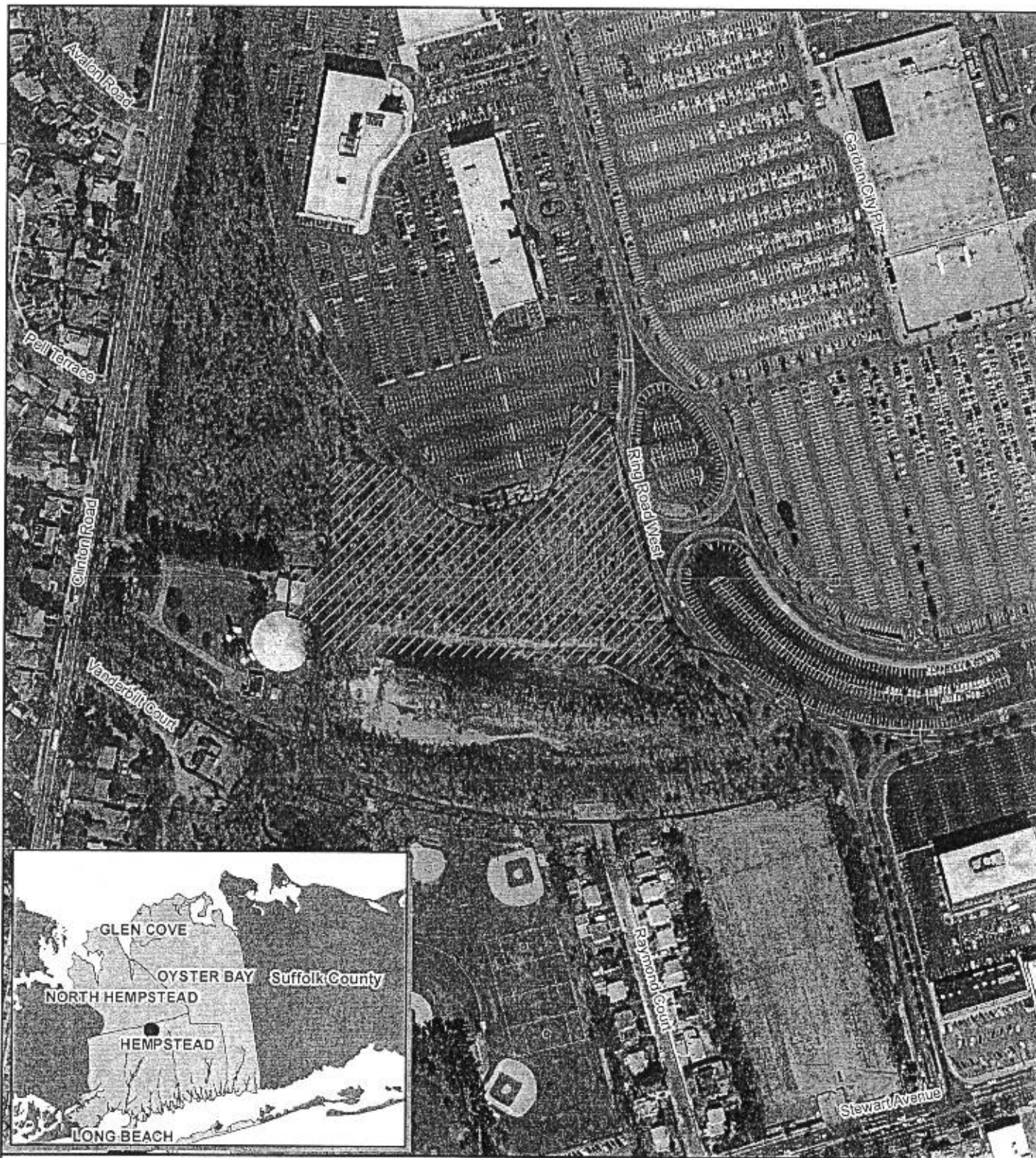
SOURCE: 2013 NYS Digital Ortho-imagery, ©NYSITS, 2013, district boundaries interpreted from Village of Garden City District Map, © Village of Garden City, 2006.

Legend

 C-R Zoning District
 (boundaries are approximate)



1 inch = 500 feet  Feet



SITE LOCATION

PROJECT NAME: Proposed C-R Zoning District Modification and Hotel at Roosevelt Field Mall

STREET ADDRESS: Ring Road West

MUNICIPALITY, STATE, ZIP: Village of Garden City, Town of Hempstead, NY 11501

PROJECT NUMBER: 29322.00

SOURCE: 2013 NYS Digital Ortho-imagery, ©NYSITS, 2013

Legend

Subject Property
(boundaries are
approximate)

Hotel Site

Overall Project
Site



1 inch = 273 feet

0 110 220 440 Feet

Attachment
New York State Environmental Assessment Form – Part 1

Application of OTO Development, LLC for Modification of C-R Commercial Restricted Zoning District of
the Village of Garden City and Site Plan Approval for The Hotel at Roosevelt Field Mall at Southwest
corner of Roosevelt Field Mall along Ring Road West
Village of Garden City, Town of Hempstead, New York

Page 1 of 13 – Brief Description of the Proposed Action

The proposed action consists of two components. The first component involves the request for an amendment to the C-R Zoning District use regulations to allow hotels as a permitted use through approval of a special use permit by the Board of Trustees. The proposed action would thus allow hotels within the C-R Zoning District, which includes approximately 50 acres largely associated with office development east of Clinton Road and west of the Ring Road within the Village of Garden City (see attached C-R Zoning District location map). No changes to dimensional regulations for other uses allowed within the C-R Zoning District are proposed. The following illustrates the requested amendment (**in bold**) to the C-R Zoning District.

Proposed Amendment to:

§ 200-25. Commercial C-R Districts.

A. Uses. In C-R Districts, no land, building or structure shall be used and no building or structure shall be erected or altered to be used for any purpose other than:

- (1) Offices for business or professional use, including scientific, educational, statistical, financial or economic uses.
- (2) Restaurant, provided that service therein shall be only to seated patrons.
- (3) Laboratory devoted exclusively to research, design and experimentation.
- (4) Professional school or studio, provided that alcoholic beverages shall not be served.
- (5) Accessory uses customarily incidental to a permitted principal use, including garages for storage and maintenance of company and employee vehicles, and the storage of gasoline and lubricating oils therefor; off-street parking facilities; maintenance and utility shops for the upkeep and repair of buildings, structures and services; central heating and power plants for furnishing heat and electrical energy to structures on the site only; training schools for employees; buildings for storage of documents, records and personal property; medical, communications, dining and recreational facilities, post office and company store for the use of company employees and visitors; provided that all such uses are planned as an integral part of a main building in which are conducted the uses to which such accessory uses are appurtenant.
- (6) **Special permit uses subject to approval of the Board of Trustees**
 - (a) **Subject to approval of the Board of Trustees, after public hearing and notice:**

[1] Hotel

Attachment
New York State Environmental Assessment Form – Part 1

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Village of Garden City, Town of Hempstead, New York**

The second component of the proposed action is the request for approvals (including site plan approval) in connection with the development of a 117,370±-square foot (SF), 4-story, 163-room hotel, located southwest of the Roosevelt Field Mall property, along Ring Road West, in the Incorporated Village of Garden City, Town of Hempstead, Nassau County, New York (see attached Site Location map). In addition, modifications of the existing Roosevelt Field Mall recharge basin are proposed. The site of the proposed hotel currently consists of wooded areas and a portion of the Roosevelt Field Mall recharge basin. The proposed hotel will be developed on a 5.92± acre portion of Nassau County Tax Map parcel Nos. Section 44, Block 77, Lots 5 and 6A, and will have two curb cuts along Ring Road West. As the proposed action would also modify the existing Roosevelt Field Mall recharge basin, located adjacent and south of the proposed hotel, a total of 11.5± acres of land would be disturbed (5.92± acres as part of the hotel site and 5.58± acres as part of the recharge basin). The recharge basin would be reconfigured such that parking would be installed where the northern edge of the recharge basin is currently located, while an earthen berm would be removed from the center of the basin and grading would be altered to ultimately provide approximately 1.3 million cubic feet (CF) of stormwater capacity, which is approximately 100,000 CF more than the existing condition. Upon implementation of the proposed action, approximately 121,164±-SF of impervious surface would be installed at the subject property, and all stormwater runoff generated by the proposed improvements would be discharged to the reconfigured Roosevelt Field Mall recharge basin. Proposed site access would be from one signalized right-in/right-out access drive and one unsignalized right-in/right-out access drive along Ring Road West, and a total of 180 parking spaces would be provided on-site.

Attachment
New York State Environmental Assessment Form – Part 1

**Application of OTO Development, LLC for Modification of C-R Commercial Restricted Zoning District of the Village of Garden City and Site Plan Approval for The Hotel at Roosevelt Field Mall at Southwest corner of Roosevelt Field Mall along Ring Road West
Village of Garden City, Town of Hempstead, New York**

Page 2 of 13, Question B – Government Approvals

Government Entity	Approval	Application Date (Actual/Projected)
Village Board of Trustees	Amendment to C-R Zoning District, Special Use Permit, Site Plan Approval	May 9, 2016 Site Plan Application TBD
Village Planning Commission	Preliminary Site Plan Approval	TBD
Zoning Board of Appeals	N/A	TBD
Other Local Agencies	Village of Garden City Architectural Review Board Approval/ Village of Garden City Water and Sewer Department Water Connection Approval/ Town of Hempstead Stormwater Management Officer – review of modifications to recharge basin/ Town of Hempstead Office of the Supervisor notification	TBD
County Agencies	Nassau County Department of Public Works (out-of-district sewer connection) Nassau County Planning Commission – 239f Referral	TBD
Regional Agencies	N/A	
State Agencies	New York State Department of Environmental Conservation – SPDES GP-0-15-112	TBD
Federal Agencies	United States Army Corps of Engineers – Determination of Non-Jurisdiction	TBD

Page 2 of 13, Question C2.a – Comprehensive Plans, specific recommendations

The *Village Development Plan: An Investment in the Future of Garden City*, the Village's comprehensive plan does not specifically discuss the site of the hotel, but notes that the Roosevelt Field/Clinton Road commercial area is

"...generally triangular...is zoned CR and is presently being developed for business and professional offices and other related uses permitted under the Zoning Ordinance. Access to the site should be solely from the east via Roosevelt Field access drives in order to protect the capacity of Clinton Road and to prevent additional congestion..."

The "Recommended Goals, Objectives and Major Policies for Village Development" discussed in a May 2, 1970 memorandum indicates that with respect to economic and commercial development:

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New York State Environmental Assessment Form – Part 1

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Village of Garden City, Town of Hempstead, New York

"office and shopping areas need to be maintained or improved to compete with nearby centers, keeping in mind that these areas add significant financial support to the Village..."

Furthermore, "commercial areas should reflect the best of modern development standards and be protected from inappropriate uses. Nearby residential areas should be protected by buffer strips."

The 1989 update mentions commercial development in general and indicates that "commercial areas are, typically, fully developed but in some areas are not fully used in terms of their potential under existing zoning regulations..."

Finally, the 1991 *Zoning Analysis* notes that "amendments to the zoning regulations should be undertaken to respond to changes within the community which would further the health, safety and welfare of the community...[they] should avoid the creation of undue non-conforming situations which would place an unwarranted burden on property owners."

Page 5 of 13, Question D.2.c – Will the proposed action use, or create a new demand for water?

As noted, the anticipated water demand is approximately 26,895 gallons per day (gpd). As preliminarily discussed with the Village, water service would be provided by a connection to the Village of Garden City Department of Public Works, Water and Sewer Division's water main which runs east-west, directly south of the property within a 10-foot-wide utility easement adjacent to the hotel property. The preference of the Water and Sewer Division is to go around the recharge basin on the east side since the United States Environmental Protection Agency (EPA) had/has plans to run effluent piping in their easement on the west side of the recharge basin. With a 30-foot-wide swath on the west side of the basin, it may be possible to accommodate both the EPA piping and the water service. The specific location is still to be decided.

Page 5 of 13, Question D.2.d – Will the proposed action generate liquid wastes?

The hotel use is expected to generate approximately 24,250 gpd of sewage. There are two options for sewage disposal. The first, which is not feasible, is running sewer lines to the west through the adjacent private properties to connect to the Village of Garden City sewers. The second option is to discharge through the Roosevelt Field Mall sewers, which are Nassau County sewers. In preliminary discussion with the Village of Garden City Water and Sewer Department, the Village did not have any concerns with the applicant disposing of sewage effluent through the County system. This would be an out-of-district connection, requiring approval from the Nassau County Department of Public Works, as the site is within the Village of Garden City. It should be noted that the Village only collects sewage and it is ultimately discharged to Nassau County facilities for treatment.

Schedule H

FORM NYS-45-MN

Attach most recent quarterly filing of Form NYS-45-MN, as well as the most recent fourth quarter filing. Please remove the employee social security numbers and note which employees are part-time.

OTHER ATTACHMENTS

Proposed Residence Inn Market & Economic Impact Study,
prepared by PKF Consulting USA, dated August 2015

**Proposed Residence Inn
Market & Economic Impact Study
(Garden City, NY)**

Prepared for:
Mr. Taylor Callahan
Senior Director of Real Estate
OTO Development

Prepared by:
PKF Consulting USA
New York, New York

August 2015

August 5, 2015

Mr. Taylor Callaham
Senior Director of Real Estate
OTO Development
1646 Foxhall Road NW
Washington, DC 20007

**Re: Market & Economic Impact Study
Proposed Residence Inn – Garden City, NY**

Dear Mr. Callaham:

In accordance with your request, we have completed our study of the potential market demand for a proposed 163-room, Residence Inn (the "Subject" or "Hotel") to be located just west of the Ring Road W and Ring Road S intersection at Roosevelt Field in Garden City, New York. In addition, we have prepared an analysis of the economic and fiscal impact of the proposed Hotel to the local economy and township. Pursuant to our engagement, we have prepared this letter report summarizing our findings.

Summary of Conclusions

As will be discussed in this report, we find there to be sufficient demand to support the development of the proposed 163-room Residence Inn. Furthermore, development of the proposed Residence Inn will not have a material impact the operations of the Garden City Hotel and will have a positive economic and fiscal impact to the Village of Garden City.

1. In order to project the future demand for the proposed Residence Inn, we evaluated the proposed Subject site for the development of a Residence Inn, researched current economic and demographic trends, evaluated the historical performance of hotels in the competitive market, researched new supply additions, and projected the future performance of the competitive

lodging market. After completing this research, we then projected the occupancy and average daily rate (ADR) of the proposed Residence Inn.

In our analysis of the competitive market for the proposed Residence Inn, we have identified six hotels located in Garden City, Carle Place, and Westbury. The historical performance of the competitive market is presented in the table below. Demand as measured by occupied rooms has increased at a compound annual growth rate (CAGR) of 2.9 percent over the past five years. Occupancy has increased from 74.6 percent in 2010 to 80.1 percent in 2014. At this level of occupancy, the competitive market is functionally operating at maximum capacity during periods of peak demand. This is when unsatisfied demand is created in the competitive lodging market. The ADR over the past five years has increased at a CAGR of 3.7 percent, above the assumed rate of inflation. Based on the historical performance of the competitive market and the amount of unsatisfied demand in the market, we expect there to be continued demand growth for hotels.

Proposed Residence Inn Garden City Historical Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2010	302,585	-	225,703	-	74.6%	\$142.97	-	\$106.64	-
2011	302,585	0.0%	234,211	3.8%	77.4%	\$142.31	-0.5%	\$110.15	3.3%
2012	302,585	0.0%	243,530	4.0%	80.5%	\$153.43	7.8%	\$123.48	12.1%
2013	348,210	15.1%	285,085	17.1%	81.9%	\$161.86	5.5%	\$132.52	7.3%
2014	318,090	-9.2%	253,067	-11.2%	80.1%	\$165.48	2.2%	\$132.49	0.0%
CAGR	1.1%	-	2.9%	-	-	3.7%	-	5.6%	-
YTD May '14	131,704	-	100,624	-	76.4%	\$158.35	-	\$119.45	-
YTD May '15	148,890	13.0%	114,186	13.5%	76.7%	\$163.90	4.8%	\$125.70	5.2%

Source: PKF Consulting USA

It should be specifically noted that the 150-room Homewood Suites Carle Place opened in March 2013 and is the only extended-stay hotel in the competitive market. The Homewood Suites is an extended-stay hotel operating under the Hilton family of hotels. Similarly the Residence Inn is an extended-stay hotel operating under the Marriott family of hotels. The Homewood Suites was immediately absorbed by the competitive market as evidenced by the increase in market occupancy to 81.9 percent. The ADR of the competitive market also increased 5.5 percent, partially reflecting the Homewood Suites' ability to command an ADR premium. Furthermore, we estimate that extended-stay demand (five or more consecutive night stays)

comprises approximately 55 to 65 percent of the Homewood Suites' total demand. The Homewood Suites has outperformed the competitive market average with respect to both occupancy and ADR, providing evidence of demand for extended-stay hotels.

Based on the historical performance of the competitive market as well as the performance of the Homewood Suites Carle Place, we are of the opinion that there is sufficient demand to support the development of the proposed Residence Inn. Specifically, we are of the opinion that there is existing unsatisfied demand for extended-stay hotels, due to the performance of the Homewood Suites. Our projections of occupancy and ADR for the proposed Residence Inn are presented in the table below.

Proposed Residence Inn Garden City Projected Performance of the Subject										
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Occupancy Percentage	Market Penetration	ADR	Percent Change	RevPAR	Percent Change
2014										
2015										
2016										
2017	19,710	-	13,800	-	70%	89%	\$185.00	-	\$129.53	-
2018	59,495	201.9%	46,200	234.8%	78%	100%	\$191.00	3.0%	\$148.32	14.5%
2019	59,495	0.0%	48,800	5.6%	82%	103%	\$197.00	3.0%	\$161.59	8.9%
2020	59,495	0.0%	48,500	-0.6%	82%	102%	\$203.00	3.0%	\$165.48	2.4%
2021	59,495	0.0%	48,500	0.0%	82%	102%	\$209.00	3.0%	\$170.38	3.0%
CAGR	31.8%	-	36.9%	-	-	-	3.0%	-	7.1%	-

Source: PKF Consulting USA

- Due to the strength of demand in the competitive market and the differentiation in product, we are of the opinion that the development of the proposed Residence Inn will have no material impact on the performance of the Garden City Hotel. As previously discussed, the competitive market is currently operating near maximum capacity during periods of peak demand, thereby creating unsatisfied demand. The level of occupancy in this lodging market is extremely healthy, well above the long-term national average occupancy of approximately 61 percent. As such, the Central Nassau County hotel market appears ready for additional hotel development.

Of additional consideration is that the proposed Residence Inn is an extended-stay hotel, with limited amenities (ie. no restaurant, event center/meeting facilities, spa, etc.). The Garden City Hotel, on the other hand, is a distinctly different full-service hotel with a fine dining restaurant, bar/lounge, extensive meeting facilities, full-service spa, and an extensive fitness center. The Garden City Hotel caters primarily to a different guest

than the proposed Residence Inn. We are of the opinion that there will be minimal demand overlap between the two hotels, thus minimizing any potential impact to the Garden City Hotel's performance.

3. It is our opinion that the proposed Residence Inn would bring significant economic and fiscal impact to the Village of Garden City through visitor spending, tax revenue, and jobs.

The estimated economic impact of the proposed Residence Inn to the Village of Garden City is expected to be material. We have estimated a total impact of approximately \$13,800,000 in a representative year in 2015 dollars.

Rep Year and 10 Year Statement of Economic Impact - Village of Garden City			
Year	Direct Spending	Indirect Spending	Total Economic
2015 Rep Year	\$11,500,000	\$2,300,000	\$13,800,000
2017/18	\$11,400,000	\$2,300,000	\$13,700,000
2018/19	\$12,700,000	\$2,500,000	\$15,200,000
2019/20	\$13,200,000	\$2,600,000	\$15,800,000
2020/21	\$13,600,000	\$2,700,000	\$16,300,000
2021/22	\$14,000,000	\$2,800,000	\$16,800,000
2022/23	\$14,400,000	\$2,900,000	\$17,300,000
2023/24	\$14,900,000	\$3,000,000	\$17,900,000
2024/25	\$15,300,000	\$3,100,000	\$18,400,000
2025/26	\$15,800,000	\$3,200,000	\$19,000,000
2026/27	\$16,200,000	\$3,200,000	\$19,400,000

The estimated fiscal impact for a ten-year period for the proposed facilities is approximately \$1,223,000.

Rep Year and 10 Year Statement of Economic and Fiscal Impact - Village of Garden City				
Year	Direct Spending	Indirect Spending	Total Economic	Total Fiscal
2015 Rep Year	\$11,500,000	\$2,300,000	\$13,800,000	\$98,590
2017/18	\$11,400,000	\$2,300,000	\$13,700,000	\$106,676
2018/19	\$12,700,000	\$2,500,000	\$15,200,000	\$109,876
2019/20	\$13,200,000	\$2,600,000	\$15,800,000	\$113,173
2020/21	\$13,600,000	\$2,700,000	\$16,300,000	\$116,568
2021/22	\$14,000,000	\$2,800,000	\$16,800,000	\$120,065
2022/23	\$14,400,000	\$2,900,000	\$17,300,000	\$123,667
2023/24	\$14,900,000	\$3,000,000	\$17,900,000	\$127,377
2024/25	\$15,300,000	\$3,100,000	\$18,400,000	\$131,198
2025/26	\$15,800,000	\$3,200,000	\$19,000,000	\$135,134
2026/27	\$16,200,000	\$3,200,000	\$19,400,000	\$139,188

Total Fiscal Impact
- 10 years \$1,223,000

The estimates of economic impact generated by the proposed Residence Inn are not inclusive of all potential economic benefits. Excluded from our analysis are:

- The economic impact during the construction of the proposed facilities. This impact includes applicable salary taxes, spending by the workers, and property taxes during the construction period;
- The spending induced by day visitors; and
- The property and transfer taxes generated by a projected increase in surrounding property values due to the enhancement of the subject property facilities and overall neighborhood.

Our analysis of the total tax revenues for the Village of Garden City is limited to measurable tax revenues which comprise solely of a portion of property tax.

The conclusions set forth are based on an analysis of the existing and potential future supply and demand for the competitive lodging market as of the completion of our fieldwork in August 2015. Due to the abbreviated nature of this report, it is intended for your internal use in determining the potential market demand for the proposed Subject and for discussions with the Village of Garden City.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors impacting the competitive lodging market.

Since the proposed Subject's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of this assignment and on our experience in the industry. This brief letter report is subject to the Certification and Statement of Assumptions and Limiting Conditions presented in the Addenda.

After you have had an opportunity to review this letter, please feel free to contact us with any questions or comments. It has been a pleasure to work with you on this interesting engagement.

Yours sincerely,

PKF Consulting USA



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A. INTRODUCTION

PKF Consulting USA ("PKF Consulting") was formally retained in June of 2015 to conduct a market demand study and economic impact analysis for a proposed 163-room Residence Inn hotel to be located just west of the Ring Road W and Ring Road S intersection at Roosevelt Field in Garden City, New York. Our work program in completing this assignment included the following:

- *We evaluated the appropriateness of the Subject site for the development of the proposed 163-room hotel as a Residence Inn Hotel.*
- *We researched and analyzed current economic and demographic trends to determine their impact on future lodging demand in the market.*
- *We evaluated the historical performance of the overall Garden City/Westbury/Carle Place hotel market. We then evaluated the historical performance of the hotels in the local market, which we believe would be most competitive with the proposed Subject for demand.*
- *We researched the new supply additions that have been proposed for the region, and determined which of these projects are likely to be developed over the near-term. We then determined which of these potential new additions would compete with the proposed Subject hotel. Considering this new supply as well as economic trends within Long Island and the New York City metropolitan area, we then determined the occupancy and ADR that the competitive lodging market could achieve over the near-term.*
- *Based on the historical and anticipated future performance of individual hotels within the competitive set, we then provided our projections of the occupancy and average daily room rates ("ADR") that the Subject hotel could achieve for its first five years of operation. For the purpose of this report, we have assumed that it would be open and available for occupancy by July 1, 2017.*
- *Economic Impact – we identified visitor spending patterns and the potential rooms revenue captured at the Subject.*
 - *We estimated the flow of dollars through the economy attributable to hotel guest direct spending.*
 - *The indirect spending created by this spending.*

- *The number and type of jobs directly and indirectly induced and supported by the operation of the proposed facilities.*
- *Fiscal Impact – we completed an analysis of the future tax streams originating from the subject hotel. We focused solely on fiscal impact to the Village of Garden City;*

Several sources were used in compiling the background information and preparing the analyses contained in this report. These sources include PKF Consulting's *Trends® in the Hotel Industry*, data gathered through direct interviews with representatives of local businesses, data provided by sources in the lodging chains with which the competitive properties are affiliated, and data from various local government agencies.

B. LOCAL AREA OVERVIEW

Presented in the following section is an overview of the site and its local market.

1. Site Description

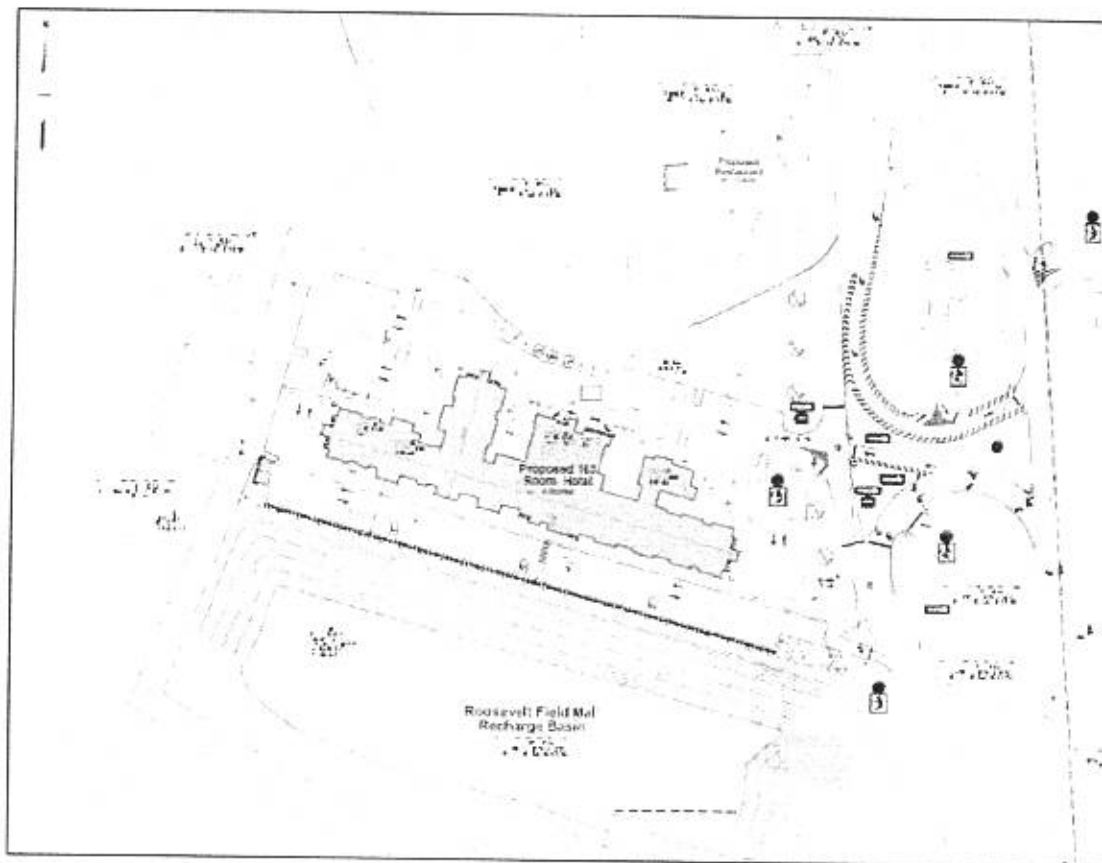
The proposed Subject is to be located on a 5.9-acre rectangular parcel located just west of the Ring Road W and Ring Road S intersection at Roosevelt Field in Garden City, New York. Originally an air field, Roosevelt Field is now one of the largest malls in the state of New York. The proposed Subject site is located on a portion of Roosevelt Field that is part of the Village of Garden City. The main structures of the mall are located east of the proposed Hotel site and are located in East Garden City.

The proposed Subject site will be bound by Ring Road W to the east, the Roosevelt Field Mall Recharge Basin to the south, undeveloped land to the west, and a Maggiano's Restaurant to the north. As we understand it, access to the proposed Subject site will provide for direct access from both Ring Road W and Ring Road S. The site's immediate neighborhood is characterized by a mix of commercial (office and retail), residential, and public uses. A site plan and area map is presented on the following pages.

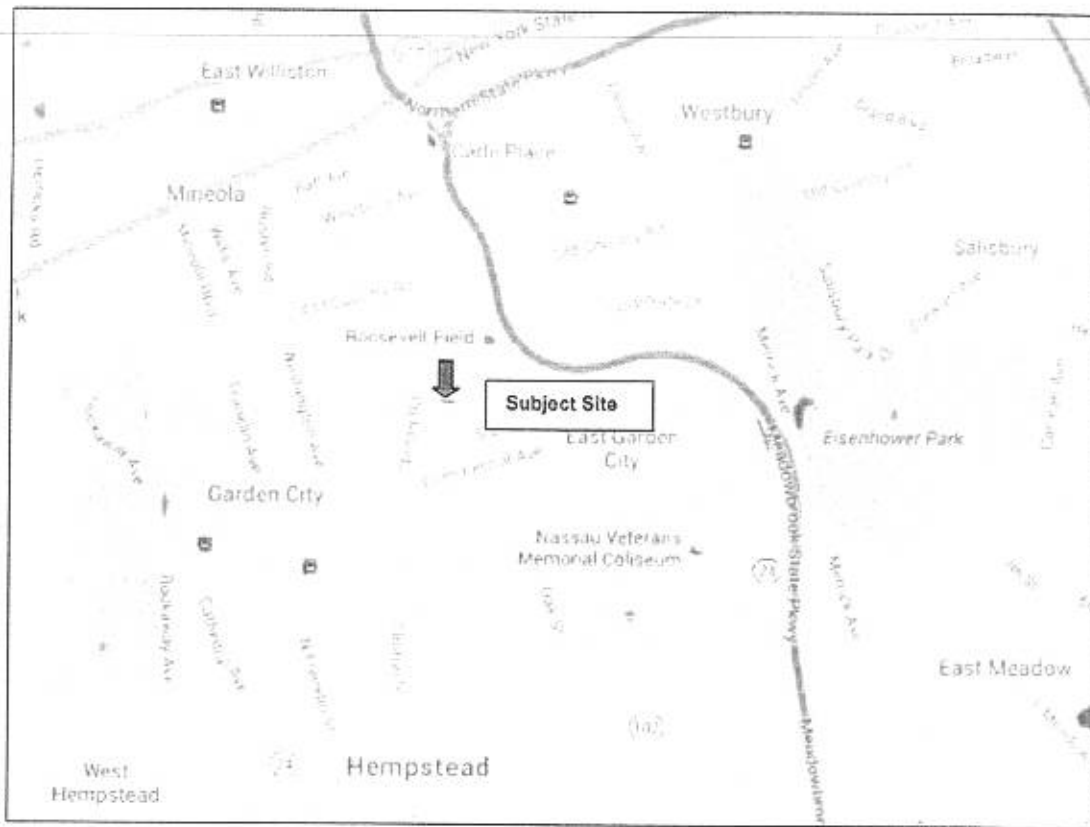
The location of the site is ranked "very good" to "excellent" overall, as outlined below.

Subject Site Analysis					
	Excellent	Very Good	Good	Fair	Poor
Accessibility		X			
Visibility		X			
Proximity to Demand	X				
Long-term Strategic Potential	X				

The preliminary site plan is presented below.



Preliminary Site Plan



Regional Map

2. Area Review

It is generally recognized that the relative success of a hotel is influenced by factors that can be broadly categorized as economic, governmental, social, and environmental. Therefore, it is necessary to evaluate the dynamics of these factors within a market to understand their effect on the projected utilization levels of a real estate property.

The proposed Subject will be located at Roosevelt Field in Garden City, New York. Garden City is located on Long Island in Nassau County, New York. This area review will focus on the data and influences of this region on the proposed Hotel.

Village of Garden City: The Village of Garden City is an incorporated area in central Nassau County, New York. Garden City has a total area of 5.3 square miles and is located approximately 18.5 miles east of midtown Manhattan. The Village of Garden City has over 22,000 residents, 1,100 businesses, and over three million

square feet in commercial real estate. While, renowned for its upscale retailers, it serves as the financial, legal, and governmental hub of the County.

Founded in 1869 by Alexander T. Stewart, Garden City was one of the first planned communities in the United States. This community with its tree-lined streets, gracious homes, and a thriving business district has long been one of Long Island's most desirable municipalities in which to live and work with property values exceeding the Long Island average.

The Village of Garden City is bordered by the municipalities of East Garden City, Hempstead, West Hempstead, Garden City South, Franklin Square, Stewart Manor, New Hyde Park, Garden City Park, Mineola, and Carle Place.

Nassau County: Nassau County is located immediately east of New York City, within the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area. It has a total area of 453 square miles, of which 285 square miles is land and 169 square miles is water. Nassau County is one of four counties that occupy Long Island and is bordered to the west by Queens County and Kings County and to the east by Suffolk County. There are two cities, three towns, 64 incorporated villages, and more than 60 unincorporated hamlets in Nassau County.

In 2012, Forbes magazine reported that Nassau County was one of the highest income communities in the U.S. and the most affluent in the state of New York, comprising four of the nation's top ten towns by median income.

Employment, Demographics, and Economy: A demographic snapshot of Garden City, Nassau County, the State of New York, and the New York-Newark-Jersey City, NY-NJ-PA MSA is presented on the following chart.

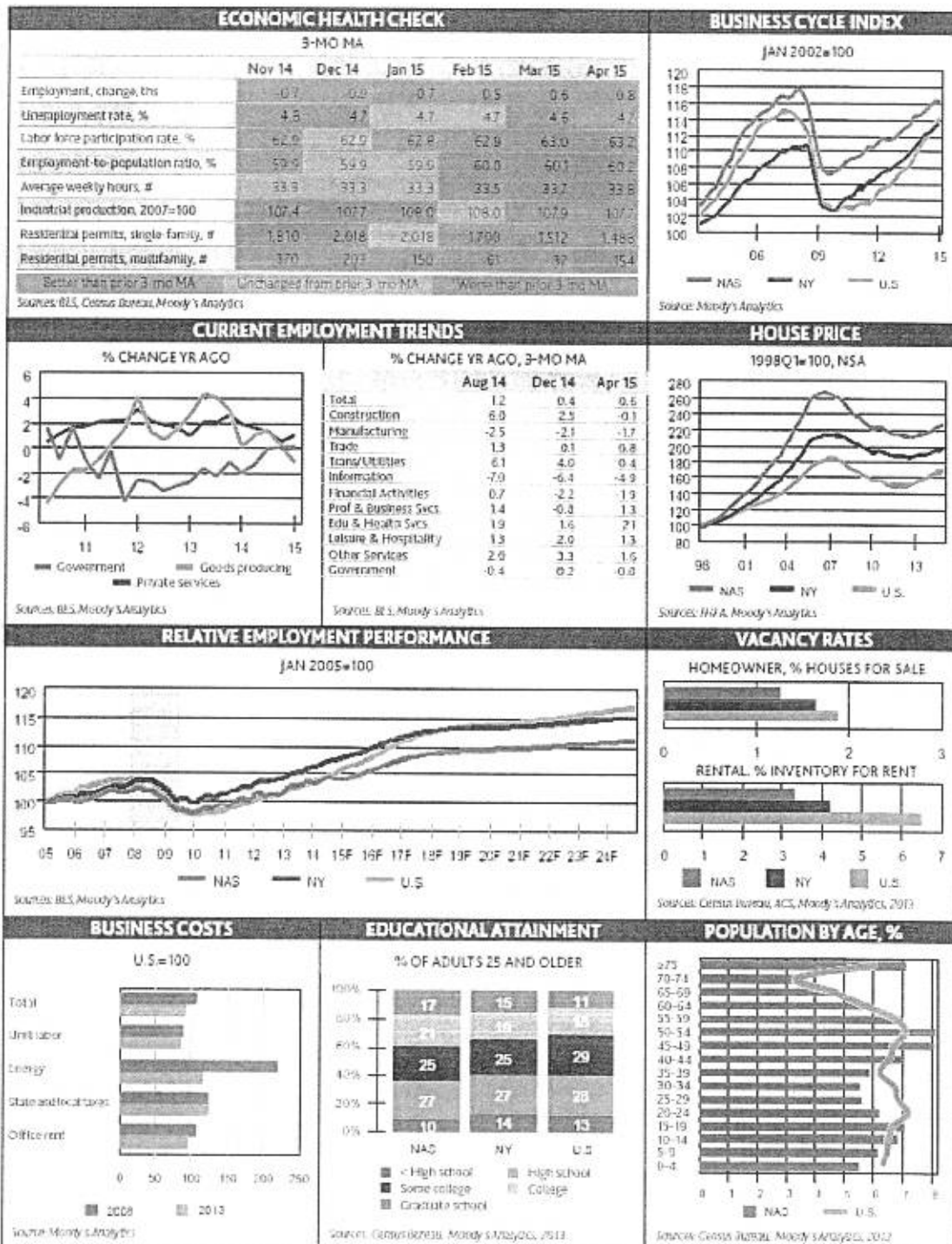
Presented after the demographic snapshot is an economic snapshot of Nassau County-Suffolk County as prepared by Moody's Analytics.



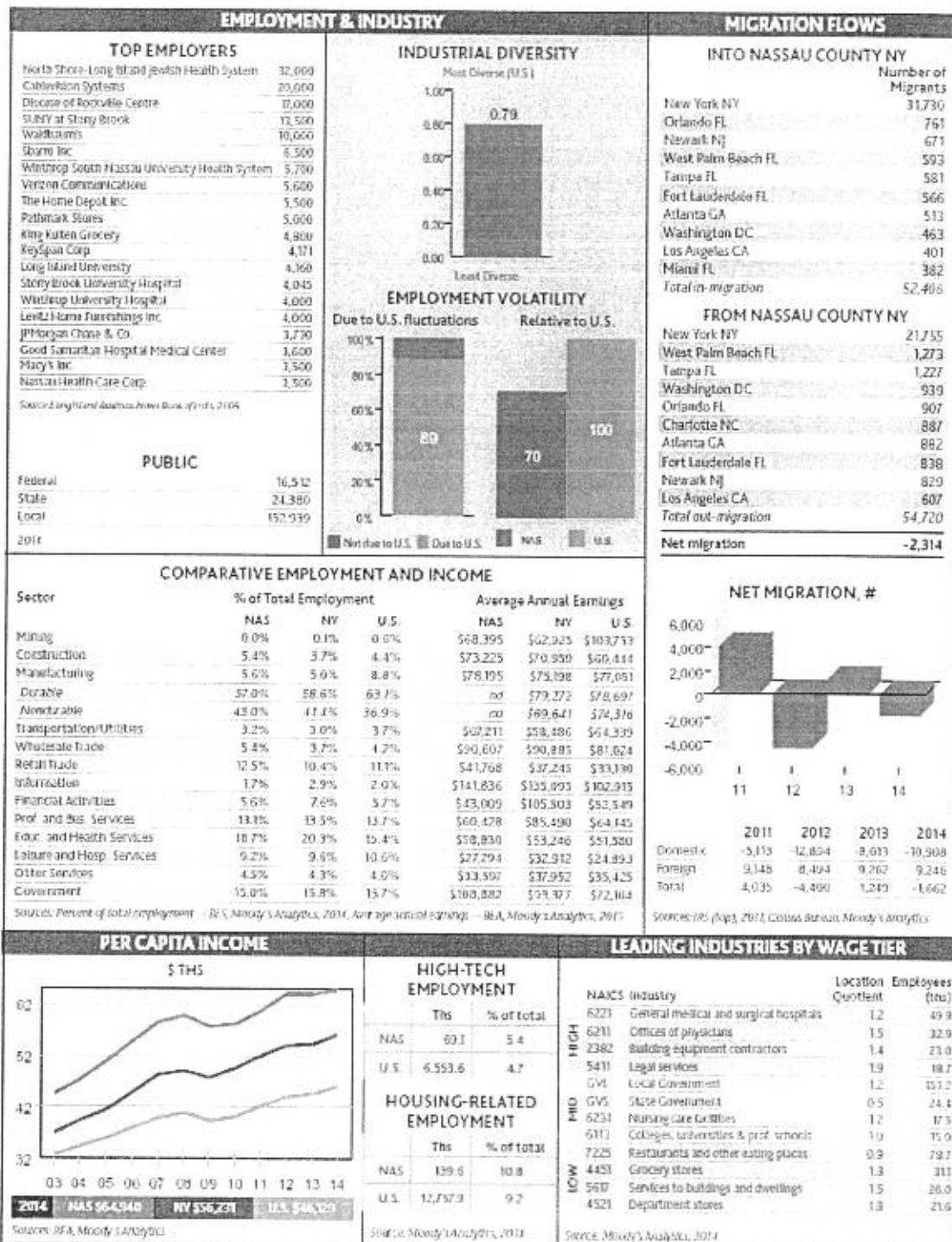
	Garden City, NY	Norfolk County, NY	New York	2010-2015
POPULATION				
2015 Population	22,834	1,357,488	19,763,565	20,114,525
2020 Population	23,358	1,380,054	20,178,676	20,652,075
2010 Population	22,371	1,339,532	19,378,102	19,567,410
2000 Population	21,655	1,334,542	18,976,447	18,944,598
Percent Pop Change: 2010 to 2015	2.1%	1.3%	2.0%	2.6%
Percent Pop Change: 2015 to 2020	2.3%	1.7%	2.1%	2.7%
AGE				
2015 Median Age	42.5	41.9	38.6	39.4
2015 Average Age	40.4	41.0	39.4	39.1
HOUSEHOLDS				
2015 Households	7,555	454,607	7,502,148	7,372,872
2020 Households	7,760	462,534	7,685,515	7,585,958
2010 Households	7,367	448,928	7,317,755	7,152,840
2000 Households	7,282	447,390	7,056,878	6,891,322
Percent HH Change: 2010 to 2015	2.6%	1.4%	2.5%	3.1%
Percent HH Change: 2015 to 2020	2.7%	1.7%	2.4%	2.9%
Average Household Size	2.9	2.9	2.6	2.7
INCOME				
2015 Median Household Income	\$113,382	\$95,709	\$58,831	\$65,977
2015 Average Household Income	\$164,425	\$125,293	\$84,769	\$95,428
2015 Per Capita Income	\$34,404	\$41,959	\$32,178	\$34,979
HOUSING UNITS				
2015 Housing Units	7,845	476,258	8,328,650	8,033,728
Occupied Units	7,555	454,607	7,502,148	7,372,872
Vacant Housing Units	289	21,651	826,502	660,856
2015 Owner-Occupied Housing Units	7,094	362,287	3,964,277	3,774,976
2015 Renter-Occupied Housing Units	461	92,320	3,537,871	3,597,946
EDUCATION				
2015 Population Age 25 and Over	14,128	936,846	13,569,136	13,815,925
High School thru Appointed	5,324 37.7%	459,111 48.9%	7,057,013 52.0%	6,609,499 48.5%
Bachelor's Degree	4,179 29.6%	215,802 23.0%	2,564,474 18.9%	2,908,032 21.5%
Graduate Degree	3,855 27.3%	171,627 18.3%	1,938,670 14.3%	2,063,325 15.0%
PLACE OF WORK				
Total Businesses	2,493	80,361	980,312	1,036,237
Daytime Employment (Total Employees)	22,657	761,906	10,564,254	10,541,879



PRECIS® U.S. METRO NORTHEAST » Nassau County-Suffolk County NY



PRÉCIS® U.S. METRO NORTHEAST » Nassau County-Suffolk County NY



Commercial Office Market: The office market represents a source of demand for lodging accommodations and a review of recent trends is meaningful.

Garden City is part of the *Central Nassau* submarket, the largest office submarket on Long Island. With over 10 million sq. ft. of office space, the *Central Nassau* submarket represents approximately 25 percent of the 41 million sq. ft. of office space on Long Island. According to CBRE's Q2 2015 issue of Long Island Office Marketview:

"Long Island ended the quarter with positive net absorption of 247,000 sq. ft., an improvement over Q2 2014's total of positive 65,000 sq. ft. Year-to-date net absorption is positive 383,000 sq. ft., improving from 2014's mid-year total of positive 30,000 sq. ft. By county, net absorption totaled positive 214,000 sq. ft. in Nassau, while in Suffolk net absorption was positive 33,000 sq. ft.

The Western and Central Nassau County submarkets are experiencing decreasing availability rates and rising asking prices with very few large available blocks. Year-over-year, the Western Nassau availability rate declined from 16.4 percent to 13.5 percent and Central Nassau dropped to 11.0 percent from 12.1 percent. Just two years ago six of the top ten largest blocks of available space were located in these submarkets. The majority of those spaces have since been leased and a shift of available space has occurred to Western Suffolk County.

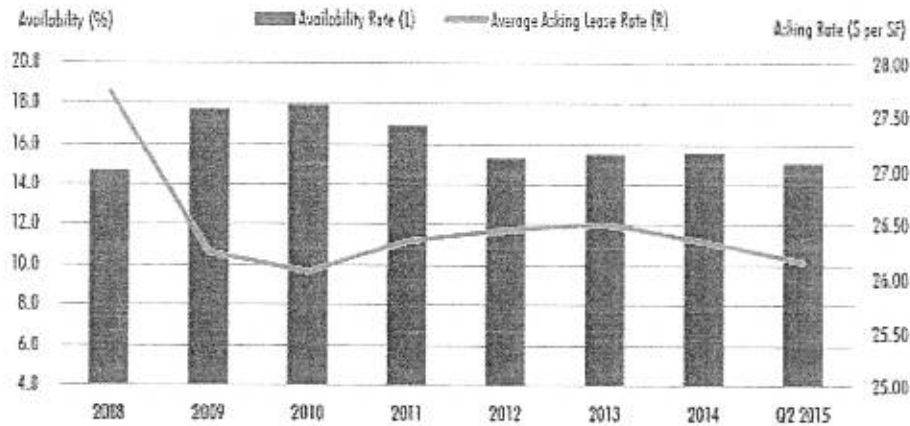
The Western Suffolk submarket continues to post the highest availability rate among the five submarkets. At 19.4 percent, the Q2 2015 availability rate increased by 22 percent since Q2 2014 when it registered 15.9 percent. Prospective tenants looking for large blocks of existing space in the Melville area have many choices with eight contiguous available units in excess of 50,000 sq. ft. to choose from. In addition, First Data Corp. located at 1307 Walt Whitman Road announced plans to close this Melville office, moving several hundred jobs to Queens. The 195,000 sq. ft. office building is currently being marketed for sale and should impact the market by year end, adding another large available block to the market.

Despite reports of layoffs and companies relocating off Long Island, the unemployment rate continues to decline with a May 2015 rate of 4.5 percent, down from 4.9 percent May 2014. The number of private sector jobs on Long Island increased over the year by 18,400, or 1.6 percent, to 1,137,200 in June 2015. The financial activities sector is starting to pick up again, adding a record 1,300 jobs in June, nearly double the monthly average of 800."

 **Availability Rate**
15.1%
  **Lease Rate**
\$26.16 PSF
  **Net Absorption**
247,000 SF
  **Leasing**
761,000 SF

*Arrows indicate change from previous quarter.

Figure 1: Availability Rate vs Rental Rate



Source: CBRE Research, Q2 2015

Figure 2: Market Statistics

Submarket	Market Rentable Area (SF)	Available (SF)	Avail. Rate (%)	Vacancy Rate (%)	Q2 2015 Net Absorption (SF)	Q2 2015 Leasing Activity (SF)	Gross Avg. Asking Lease Rate (\$/SF/Yr)
Western Nassau	7,434,252	1,004,973	13.5	13.3	151,739	159,649	\$0.05
Central Nassau	10,367,647	1,144,109	11.0	10.6	(26,461)	157,216	25.95
Eastern Nassau	7,024,456	1,057,623	15.1	14.1	68,770	272,381	23.53
Nassau Total	24,826,355	3,206,713	12.9	12.4	193,048	589,246	25.47
Western Suffolk	9,421,838	1,828,243	19.4	17.9	(6,984)	52,292	25.61
Central Suffolk	7,014,571	1,213,725	17.3	16.1	39,729	119,960	21.69
East Suffolk	1,451,453	154,561	10.6	10.0	57,751	110,250	28.20
Long Island Class A	19,322,313	2,241,283	11.6	10.3	218,359	497,849	\$0.25
Long Island Class B	22,240,501	4,008,199	18.0	17.7	28,435	263,649	24.01
Long Island Total	41,562,814	6,249,482	15.1	14.3	246,793	761,498	24.16

Source: CBRE Research, Q2 2015

MARKETVIEW LONG ISLAND OFFICE

AVAILABILITY

From Q1 2015 to Q2 2015, Long Island's availability rate decreased to 15.1%. At the same time last year, the availability rate was 15.3%. Year-over-year the class A segment decreased by 1.3 percentage points to 11.8% while class B increased to 18.0%. Three of the five submarkets reported a decrease in available space from a year ago, all in Nassau County. Western Suffolk showed the biggest increase from 15.9% Q2 2014 to 19.4% in Q2 2015.

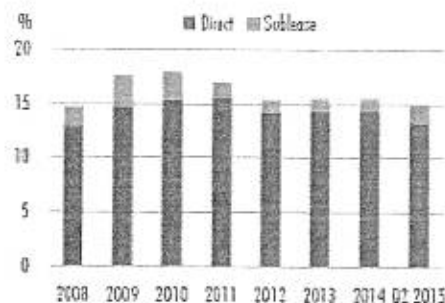
RENTAL RATES

Long Island's overall average asking rent decreased to \$26.16 per sq. ft. from \$26.58 per sq. ft. one year ago. Class A average asking rents decreased by \$0.55 per sq. ft. to \$30.25 per sq. ft. while class B increased \$0.04 per sq. ft. to \$24.01 per sq. ft. year-over-year. At \$28.45 per sq. ft., average asking rents in Nassau County decreased by \$0.29 per sq. ft. over the past year, while Suffolk County's average of \$24.00 per sq. ft. at the end of Q2 2015 remained unchanged. The western Nassau County submarket continued to post the highest average asking rental rate of \$30.05 per sq. ft.; conversely the Central Suffolk County submarket holds the lowest of \$20.69 per sq. ft.

LEASING ACTIVITY

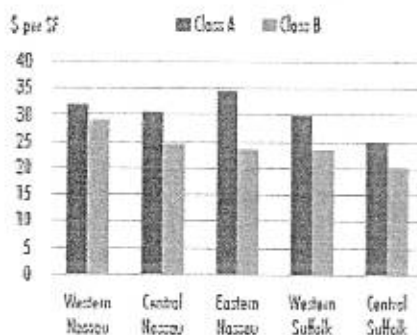
Long Island leasing activity totaled 761,000 sq. ft. for Q2 2015, 4% higher than the 735,000 sq. ft. recorded Q2 2014 and more than double the 346,000 sq. ft. leased Q1 2015. The class A segment was the strongest-performing, accounting for 65% of total Q2 leasing. The Eastern Nassau submarket posted the highest Q2 leasing velocity with 272,000 sq. ft. of new activity, followed by the Western Nassau submarket with 160,000 sq. ft. The largest new lease of the quarter was by Publisher's Clearing House at 300 Jericho Quadrangle, Jericho for 165,000 sq. ft. Also in Eastern Nassau, GEICO leased 17,000 sq. ft. at 100 Duffy Avenue, Hicksville.

Figure 3: Historical Availability Rate



Source: CBRE Research, Q2 2015.

Figure 4: Current Quarter Average Asking Rents by Submarket



Source: CBRE Research, Q2 2015.

Figure 5: Historical Leasing Activity (\$/Sq. Ft.)



Source: CBRE Research, Q2 2015.

The primary office users in Garden City, Carle Place, and Westbury are presented in the table below.

Tenant	Building Address	Sq. Ft.
1-800-flowers.com	1 Old Country Road, Carle Place, NY	90,000
American Automobile Association	1415 Kellum Place, Garden City, NY	82,102
Barnes & Noble, Inc.	1400 Old Country Road, Westbury, NY	79,000
Berkman, Henock, Peterson & Paddy	100 Garden City Plaza, Garden City, NY	44,039
Bertelsmann, Inc.	501 Franklin Avenue, Garden City, NY	71,707
Cullen & Dykman LLP	100 Quentin-Roosevelt Boulevard, Garden City, NY	46,486
GEICO	875 Merrick Avenue, Westbury, NY	43,000
Healthcare Partners, IPA	501 Franklin Avenue, Garden City, NY	55,000
Ipsos-Npd Inc	1600 Stewart Avenue, Westbury, NY	33,094
J.P. Morgan Chase Manhattan	900 Stewart Avenue, Garden City, NY	177,332
Jaspan Schlesinger Hoffman LLP	300 Garden City Plaza, Garden City, NY	38,090
L'Abbate, Balkan, Colavita & Contini, L.L.P.	1001 Franklin Avenue, Garden City, NY	49,000
Level 3 Communications, Inc.	71 Clinton Road, Garden City, NY	34,000
Margolin, Winer & Evens LLP	400 Garden City Plaza, Garden City, NY	35,904
Merrill Lynch & Company, Inc.	1325 Franklin Avenue, Garden City, NY	50,154
Meyer, Suozzie, English & Klein	990 Stewart Avenue, Garden City, NY	37,877
Nassau BOCES	1 Merrick Avenue, Westbury, NY 11590	52,138
Nassau BOCES	71 Clinton Road, Garden City, NY	60,000
Nassau Educators Federal Credit Union	1000 Corporate Drive, Westbury, NY	48,900
New York Community Bancorp, Inc.	615 Merrick Avenue, Westbury, NY	76,000
North Shore Long Island Jewish Health Systems	972 Brush Hollow Road, Westbury, NY	127,419
Sanford-Brown Institute	711 Stewart Avenue, Garden City, NY	31,902
State-Wide Insurance Company	901 Franklin Avenue, Garden City, NY	30,710
Treiber Group, LLC	377 Oak Street, Garden City, NY	37,000
TSG Financial LLC	501 Franklin Avenue, Garden City, NY	30,000
William Penn Life Insurance Company of New York	100 Quentin-Roosevelt Boulevard, Garden City, NY	30,000
Winthrop University Hospital	1401 Franklin Avenue, Garden City, NY	30,000
Total		1,520,854

Air Transport: Nassau County is served by three major airports: Macarthur Airport, LaGuardia Airport, and John F. Kennedy International Airport. Additionally, Newark Airport serves the MSA. Air passenger traffic in the region plummeted in 2001 resulting from the terrorist attacks in September and the resulting closure of airports for several days and decline in airline travel. The pre 9/11 levels were surpassed in 2004 and have continued to increase to date. A surge in International arrivals in 2004 helped JFK's traffic to climb by 18 percent. However we also note that a significant portion of JFK's growth is attributable to Jet Blue, a low fare carrier. Total regional volume in 2007 was at record levels, preceding declines in 2008 and 2009 attributable to the recession. Passenger volumes began rebounding in 2010, and in 2014 surpassed previous records. Over the next few years, we expect that air passenger volume will continue to rebound and grow at moderate levels.

The following table presents historic air passenger volume at LaGuardia Airport and JFK between 1985 and 2014. The 2014 and 2015 performance of Macarthur is presented in a separate chart.

New York Region Historical Airport Passenger Volume (In Millions)								
Year	Newark	LaGuardia	JFK	Domestic	Int'l	Total	Var. to Prior Year	
							Amount	Percent
1985	28.6	20.5	28.9	62.1	15.8	77.9	-	-
1990	22.3	22.8	29.8	53.9	20.7	74.6	(3.3)	-4.2%
1995	26.6	20.6	30.4	55.3	22.1	77.4	2.8	3.8%
2000	34.2	25.4	32.8	62.2	30.6	92.8	15.4	19.9%
2001	30.5	21.9	29.4	56.7	26.6	83.3	(9.5)	-10.2%
2002	29.2	22.0	29.9	55.9	25.5	81.4	(1.9)	-2.3%
2003	29.4	22.5	31.7	58.0	26.1	84.1	2.7	3.3%
2004	31.9	24.4	37.5	64.5	29.9	94.4	10.3	12.2%
2005	33.0	25.9	40.8	68.1	32.2	100.3	5.9	6.2%
2006	35.7	25.8	42.6	70.8	33.6	104.4	4.1	4.1%
2007	36.4	24.9	47.7	74.3	35.7	110.0	5.6	5.4%
2008	35.4	23.1	47.8	72.4	34.7	107.0	(3.0)	-2.7%
2009	33.4	22.1	45.9	68.3	33.6	101.9	(5.2)	-4.8%
2010	33.1	24.0	46.5	68.2	35.4	103.6	1.7	1.7%
2011	33.7	24.1	47.7	69.0	36.5	105.5	1.9	1.8%
2012	34.0	25.7	49.3	71.7	37.7	109.4	3.9	3.7%
2013	35.0	26.7	50.4	72.9	39.8	112.5	3.1	2.8%
2014	35.6	26.9	53.2	73.9	41.8	115.7	3.2	2.9%
May-14	13.7	10.6	20.1	28.6	15.8	44.4	-	-
May-15	14.5	11.0	21.5	30.7	16.3	47.0	2.6	5.9%
CAGR 1985-2013	0.73%	0.95%	2.01%	0.58%	3.33%	1.32%	-	-

Source: The Port Authority of New York and New Jersey
Compiled By: PKF Consulting USA

Islip, NY: Long Island MacArthur (ISP)

Scheduled Se

Summary Data (U.S. Flights Only)				
Passengers*	2014**	2015**	%Chg	Rank***
Arrival	671k	617k	-8.04%	107
Departure	668k	612k	-8.34%	107
Scheduled Flights				
Departures	7,346	5,978	-18.62%	162
Freight/Mail (lb.) (Scheduled and Non-Scheduled)				
Total	1,638k	1,727k	5.45%	214
Carriers				
Scheduled	8	5	-37.50%	

* Scheduled enplaned revenue passengers.

** 12 months ending April of each year.

*** Among 825 U.S. airports, 12 months ending April 2015

Ground Transportation and Rail: Regional access is provided by the Long Island Expressway, the Northern State, Southern State and Meadowbrook Parkways.

Rail service is provided by the Long Island Rail Road (LIRR) via the Hempstead line. The six stops are Garden City, Nassau Blvd, Manor, Country Life Press, Mineola, Merrillon Ave, and New Hyde Park Road. Travel time to Manhattan ranges from 30 to 54 minutes, depending on the branch used.

Demand Generators: Lodging demand in Garden City and Nassau County are generated by commercial/corporate and leisure sources. According to the Long Island Convention and Visitors Bureau and Sports Commission, tourism on Long Island is a \$5.6 billion industry, welcoming over 9.1 million visitors annually. Demand generators are presented below:

- Covanta Energy
- Hofstra University
- Nassau Coliseum
- 1-800-Flowers HQ
- Lufthansa US HQ
- DealerTrack HQ
- FTI Consulting
- LIRR Station

- Nassau University Medical Center
- Adelphi University
- Lockheed Martin
- Cherry Valley Club Inc
- Garden City Golf Club
- Long Island Golf Association
- Roosevelt Field Mall
- Cradle of Aviation Museum
- Long Island Children's Museum
- Jericho Terrace
- Eisenhower Park
- Westbury Theater
- Bethpage State Park
- Jones Beach State Park
- Belmont Race Track
- Sanford Brown Institute
- Winthrop University Hospital
- Nassau Community College
- Long Island Jewish Hospital
- Mercy Medical Center
- North Shore University Hospital
- Franklin Avenue
- AAR
- Verizon
- Over 2,000 Wedding Venues

C. HOTEL MARKET ANALYSIS

PKF Hospitality Research (PKF-HR) has determined through econometric analysis that strong relationships exist between employment, income, price, and demand for hotel rooms. Using proprietary models developed in the course of this research PKF-HR, produces national quarterly forecasts for demand, occupancy, average daily room rate (ADR), revenue per available room (RevPAR) and supply. These forecasts use baseline historical hotel operating data from Smith Travel Research, and historic and forecast economic data from Moody's Analytics. *Hotel Horizons®* reports are published on a quarterly basis for 61 markets and six national chain-scales.

The following table shows the forecast for all hotels in the Long Island market from PKF-HR's *Hotel Horizons® Report June to August 2015 Edition*.

HOTEL HORIZONS®		JUNE – AUGUST 2015 EDITION						LONG ISLAND	
Long Island Forecast - All Hotels									
Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2010	Annual	64.9%	4.3%	\$120.77	-1.6%	\$78.36	2.7%	1.3%	5.6%
2011	Annual	67.9%	4.6%	\$123.81	2.5%	\$84.06	7.3%	2.8%	6.3%
2012	1	55.8%	1.6%	\$114.80	2.1%	\$64.01	3.7%	0.9%	2.5%
2012	2	68.0%	-2.4%	\$126.39	4.7%	\$85.92	2.3%	1.4%	-1.0%
2012	3	75.4%	-7.1%	\$143.44	4.6%	\$108.18	-2.8%	0.6%	-6.6%
2012	4	77.9%	21.4%	\$133.88	13.0%	\$104.28	37.2%	0.3%	21.7%
2012	Annual	69.5%	2.4%	\$131.16	5.9%	\$91.17	8.5%	0.8%	3.2%
2013	1	72.6%	30.2%	\$126.58	10.3%	\$91.91	41.6%	-0.2%	30.0%
2013	2	73.1%	7.6%	\$135.27	7.0%	\$98.91	15.1%	0.7%	8.1%
2013	3	78.9%	4.6%	\$151.06	5.3%	\$119.13	10.1%	0.4%	5.8%
2013	4	65.9%	-15.4%	\$125.63	6.2%	\$82.75	-20.6%	0.4%	-14.6%
2013	Annual	72.7%	4.6%	\$135.63	3.4%	\$98.65	8.2%	0.5%	5.1%
2014	1	60.5%	-16.6%	\$123.59	-2.4%	\$74.82	-18.6%	0.8%	-16.6%
2014	2	74.4%	1.7%	\$139.37	3.0%	\$103.65	4.8%	-0.6%	1.1%
2014	3	81.1%	2.8%	\$158.36	4.0%	\$128.41	7.8%	0.8%	3.7%
2014	4	66.0%	0.2%	\$131.42	4.6%	\$86.71	4.6%	0.6%	0.7%
2014	Annual	70.9%	-2.5%	\$140.19	3.4%	\$99.39	0.7%	0.2%	-2.4%
2015	1	62.1%	2.5%	\$126.20	2.1%	\$78.33	4.7%	1.7%	4.1%
2015F	2	74.2%	-0.2%	\$142.43	2.2%	\$105.65	1.9%	0.0%	6.1%
2015F	3	89.4%	-8.9%	\$159.50	0.7%	\$128.20	0.2%	0.0%	6.3%
2015F	4	68.0%	3.2%	\$137.99	5.0%	\$91.89	8.3%	0.0%	3.1%
2015F	Annual	71.5%	0.8%	\$143.17	2.1%	\$102.31	3.0%	0.4%	1.2%
2016F	Annual	71.5%	0.1%	\$146.71	5.3%	\$107.79	5.3%	1.9%	2.8%
2017F	Annual	71.7%	-0.2%	\$157.43	4.5%	\$112.81	4.7%	1.6%	1.8%
2018F	Annual	71.8%	0.1%	\$163.75	4.0%	\$117.50	4.2%	1.3%	1.7%
2019F	Annual	71.5%	-0.2%	\$169.27	3.4%	\$121.09	3.1%	0.9%	0.6%
2015 1Q	Trailing 4 Qtrs	71.1%	1.8%	\$140.59	3.8%	\$100.11	5.7%	0.6%	2.4%

As the national and regional economies rebounded in 2012 and 2013, the Long Island hotel market enjoyed strong RevPAR growth of 8.5 percent and 8.2 percent, respectively. In 2012, RevPAR growth was the result of a 2.4 percent gain in occupancy and 5.9 percent gain in ADR. In 2013, RevPAR growth was attributable to a 4.6 percent gain in occupancy and 3.4 percent growth in ADR. RevPAR gains slowed to 0.7 percent in 2014 due to a 2.5 percent decline in occupancy and a 3.4 percent gain in ADR. The decline in occupancy is due to typical market fluctuations during the first quarter of 2014, when the competitive market is at its slowest, and ongoing impacts from currency exchange rates and Airbnb.

Looking forward through the remainder of 2015, prosperous times should continue for the Long Island hotel market. RevPAR growth is projected at 3.0 percent for

2015, with occupancy increasing 0.8 percent, to 71.5 percent, and ADR growing 2.1 percent. Occupancy levels are projected to remain at approximately this level for the five year projection period as the market is largely at capacity during periods of peak demand and is unable to accommodate additional demand. Supply growth is not projected outpace accommodated demand increases and is projected to be below the long-run average of 1.8 percent (with the exception of 2016). Given the projected scarcity of hotel rooms for consumers, pricing power should generally remain with operators. PKF-HR is forecasting ADR growth rates above the pace of inflation through at least 2019.

For the next four calendar quarters, PKF-HR forecasts the following for the Long Island hotel market:

- Occupancy – Occupancy will increase to 71.5 percent, better than the previous four quarters' rate of 71.2 percent and above the long-run average of 68.2 percent.
- Average Daily Rate – ADR growth expectations are weakening, 3.0 percent vs. the past four quarters' rate of 3.8 percent, but are above the long-run average of 2.1 percent.
- Revenue per Available Room – RevPAR growth projections are falling to 3.4 percent as compared to the past four quarters' rate of 5.7 percent, but are greater than the long-run average of 1.9 percent.
- Supply – Supply growth is less active, 0.1 percent vs. the past four quarters' rate of 0.6 percent, and under the long-run average of 1.8 percent.
- Room Revenue Per Available Room – RevPAR growth projections for the next four quarters are falling to 7.8 percent as compared to the past four quarters' rate of 8.5 percent, but are greater than the long-run average of 3.2 percent.

Presented below is a table summarizing the forecast for Long Island. The full forecast is presented in the Addenda.

LONG ISLAND FORECAST SUMMARY

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2010	64.9%	4.3%	\$120.77	-1.6%	\$78.36	2.7%
2011	67.9%	4.6%	\$123.81	2.5%	\$84.06	7.3%
2012	69.5%	2.4%	\$131.16	5.9%	\$91.17	8.5%
2013	72.7%	4.6%	\$135.63	3.4%	\$98.65	8.2%
2014	70.9%	-2.5%	\$140.19	3.4%	\$99.39	0.7%
2015F	71.5%	0.8%	\$143.17	2.1%	\$102.33	3.0%
2016F	71.5%	0.1%	\$150.71	5.3%	\$107.79	5.3%
2017F	71.7%	0.2%	\$157.43	4.5%	\$112.81	4.7%
2018F	71.8%	0.1%	\$163.75	4.0%	\$117.50	4.2%
2019F	71.5%	-0.3%	\$169.27	3.4%	\$121.09	3.1%

Long Run Averages - 1988 to 2014

Occupancy: 69.2% Δ ADR: 2.1% Δ RevPAR: 1.9%

Source: PKF Hospitality Research / CTR Inc

1. Competitive Lodging Market Overview

In our analysis of the competitive market for the proposed Subject, we have focused on similarly-positioned properties located in Garden City, Carle Place, and Westbury proximate to the proposed Subject site. These hotels are summarized in the following table. It should be noted that the Garden City Hotel was included in this competitive set solely due to its location in Garden City. With the exception of the Garden City Hotel and the Holiday Inn Westbury, the hotels in the competitive market are nationally affiliated, select-service hotels designed to primarily capture transient demand. The Garden City Hotel is uniquely positioned as an independent hotel, catering to group demand. Accordingly, the Garden City Hotel does not directly compete with the competitive set for demand, but has been included in the competitive set due to its location in Garden City.

Competitive Market				
Hotel	City	Rooms	Year Built	Year Affiliated
Homewood Suites Carle Place Garden City	Carle Place	150	2013	2013
Holiday Inn Westbury Long Island	Carle Place	152	1973	1973
Hyatt Place Garden City	Garden City	122	2010	2010
Hampton Inn Garden City	Garden City	143	2006	2006
Hilton Garden Inn Westbury	Westbury	140	2003	2003
Garden City Hotel	Garden City	272	1983	2014
Subtotal		979	-	-
Proposed Residence Inn Garden City	Garden City	163	2017	-
Total		1,142	-	-

Of the hotels within the selected competitive set, one is an extended-stay hotel, two are full-service hotels, and three are limited-service hotels. Three of the hotels are affiliated with Hilton Hotels & Resorts (Homewood Suites, Hampton Inn, and Hilton Garden Inn), one is affiliated with Intercontinental Hotels (Holiday Inn), one is affiliated with Hyatt Hotels and Resorts (Hyatt Place), and one is an independent hotel (Garden City Hotel). These hotels represent upper midscale, upscale, and luxury hotels (based on Smith Travel Research classifications).

- **Homewood Suites Carle Place Garden City:** The 150-room Homewood Suites Carle Place is the newest addition to the market. It opened in 2013 and is an extended-stay hotel. The hotel offers studios, one-bedroom, and two-bedroom guestrooms, all with kitchenettes. Other amenities include, complimentary breakfast, guest laundry, an indoor pool, a fitness room, a business center, putting green, and a 1,820 square foot meeting room. We estimate that this hotel caters to approximately 55 to 65 percent extended-stay demand. The 2014 occupancy and ADR of this hotel are above the average of the competitive market.
- **Holiday Inn Westbury Long Island:** The 152-room Holiday Inn Westbury opened in 1973 and is the oldest property in the competitive market. The hotel offers 57 king guestrooms and 95 double guestrooms. Amenities include the Sporting New Grill (restaurant and bar), 1,914 square feet of meeting space, a business center, a fitness center, and outdoor pool. The 2014 occupancy and ADR of this hotel are below the average of the competitive market.
- **Hyatt Place Garden City:** The 122-room Hyatt Place Garden City opened in 2010. Hotel amenities include complimentary breakfast, 24-hour food and beverage service via the Gallery menu, a fitness center, a business center, and 1,147 square feet of meeting space. We estimate that approximately 15 percent of the demand at this hotel is extended-stay demand (length of stay over five days). This is more extended-stay demand than the typical transient hotel captures. The 2014 occupancy of this hotel is above the average of the competitive market while the ADR is slightly below.
- **Hampton Inn Garden City:** The 143-room Hampton Inn Garden City opened in 2006 and is located next to the Hyatt Place Garden City. Hotel amenities include complimentary breakfast, a business center, a fitness center, a swimming pool, guest laundry, and a 625 square foot meeting

room. The 2014 occupancy of this hotel is in line with the average of the competitive market while the ADR is slightly below.

- **Hilton Garden Inn Westbury:** The 140-room Hilton Garden Inn Westbury was built in 2003. Hotel amenities include the 24-hour Pavilion Pantry (restaurant), microwaves and refrigerators in guestrooms, a business center, a fitness center, a swimming pool, guest laundry, and a total of 1,380 square feet of meeting space. The 2014 occupancy of this hotel is in line with the average of the competitive market while the ADR is above.
- **Garden City Hotel:** The 272-room Garden City Hotel is a landmark hotel in Garden City. Built in 1983, the hotel recently completed a \$35 million renovation in 2014. The hotel was closed from January 2014 through May 2014. The Garden City Hotel is a luxury hotel featuring the Polo Steakhouse, Polo Lounge, more than 25,000 square feet of flexible meeting facilities, a Red Door Spa by Elizabeth Arden, indoor fitness center and pool, a gift shop, a business center. The Garden City Hotel is positioned to cater to the meetings and social business that the other properties in Garden City cannot accommodate. Accordingly, we are of the opinion that the Garden City Hotel does not directly compete with the other properties identified in the competitive market. In 2014, following the completion of the renovation, the occupancy and ADR of this hotel are above the average of the competitive market. As the only luxury hotel in the market, the ADR is well above the average of the competitive market.

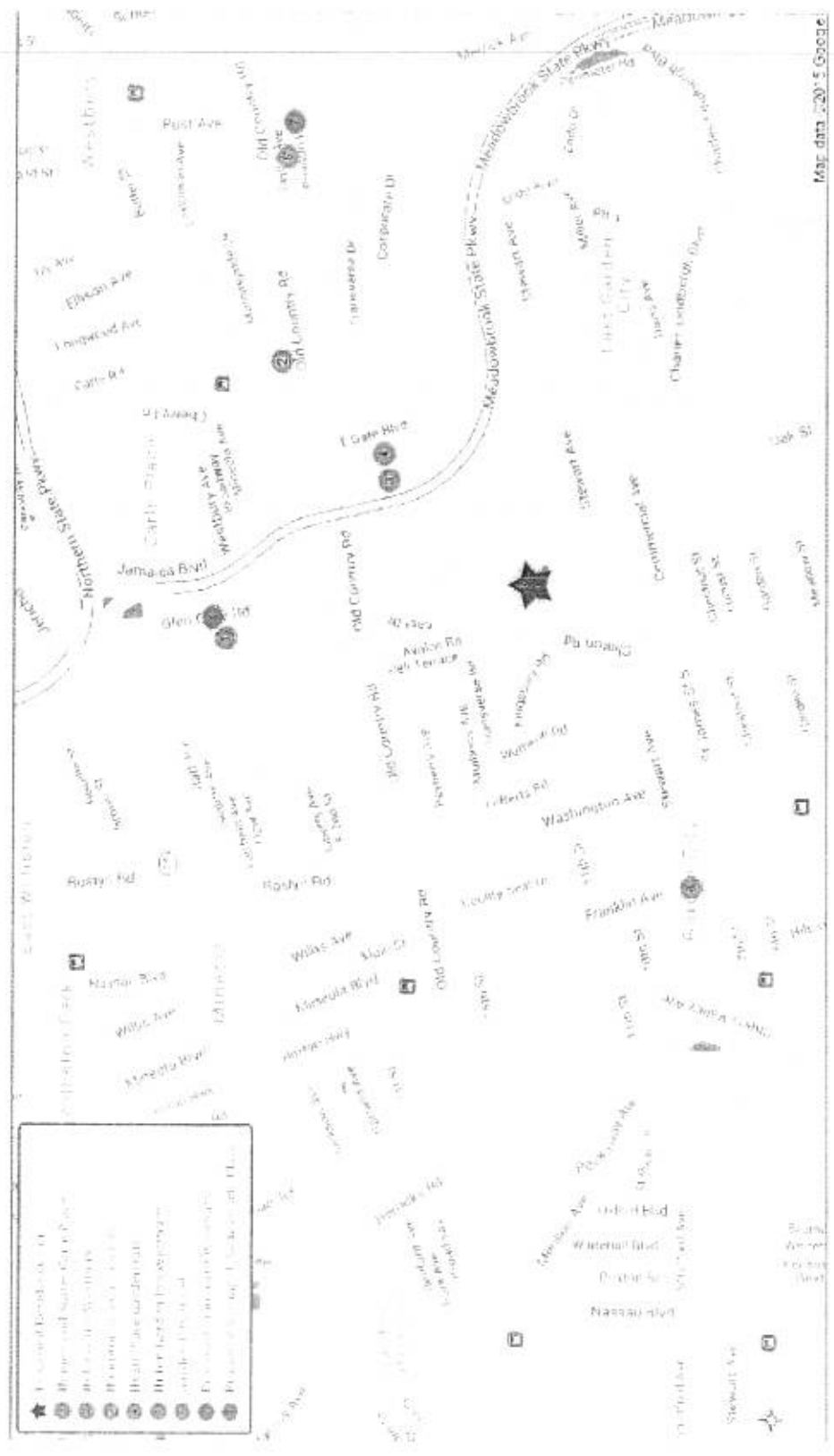
In conducting our research, we have identified several other projects in various development stages that could have an impact on the proposed Subject. Based on our research, we are of the opinion that two of these projects will be directly competitive with the proposed Subject. A brief description of the projects is presented below.

- **Courtyard Westbury Long Island:** The proposed 145-room Courtyard Westbury Long Island is to be located at Merrick Avenue and Privado Road in Westbury, NY. It is currently under construction. The hotel will be affiliated with Marriott International and is scheduled to open in March 2016.
- **Springhill Suites Long Island Carle Place:** The proposed 120-room Springhill Suites is to be located at Westbury Avenue and Glen Cove Road in

Carle Place, NY. The Springhill Suites is currently under construction and is scheduled to open in April 2016. It will be affiliated with Marriott International as well and is located near the Homewood Suites Carle Place.

For the purposes of this analysis, we have accounted for the annualized additions of the annualized additions of the Courtyard Westbury in March 2016 and the Springhill Suites Carle Place in April 2016. We are of the opinion that only these two hotels will be directly competitive with the proposed Subject.

A map of the competitive market is presented on the following page.



2. Demand Segmentation / Business Mix

As presented in the table below, demand in the competitive lodging market is comprised of transient demand (commercial/corporate demand and leisure demand) and group demand. Transient demand is estimated to be approximately 85 percent of the total demand. Group demand is estimated to represent 15 percent of the total demand. It should be noted that only the Garden City Hotel has meaningful meetings and event facilities. The table below presents the 2014 demand segmentation.

Demand Segmentation		
Market Segment	Room Nights	Ratio
Transient	216,224	85%
Group	36,843	15%
Total	253,067	100%

As will be discussed later, extended-stay demand is defined as a stay of five or more consecutive nights. Both transient guests and group guests can be categorized as extended-stay demand. We estimate that between 15 to 20 percent of the total demand is extended-stay demand (40,000 to 50,000 room nights). Most extended-stay guests are commercial travelers, which is considered transient demand. We estimate that approximately half of the current extended-stay demand in the market (20,000 to 25,000 room nights) currently stays at the Homewood Suites Carle Place. The balance of the extended-stay demand is spread among the other hotels in the competitive market. As a luxury, independent hotel, the Garden City Hotel likely captures the least amount of extended-stay demand.

As a Residence Inn branded property, which is the Marriott International extended-stay brand, the proposed Subject will operate similarly to the Homewood Suites Carle Place. It will primarily capture extended-stay demand. Due to the strength of lodging demand in the competitive market, we are of the opinion that the proposed Subject will capture mostly new demand and that there will be minimal demand overlap with the existing hotels.

3. Historical Performance of the Competitive Market

The following table summarizes the historical performance of the competitive market from 2010 to 2014 as well as for the year-to-date (YTD) periods ending May 2014 and 2015.

As discussed earlier, the hotels in the competitive market are located in the Central Nassau County market. Lodging demand generators for this market are primarily located in Nassau County as well.

Proposed Residence Inn Garden City Historical Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2010	302,585	-	225,703	-	74.6%	\$142.97	-	\$106.64	-
2011	302,585	0.0%	234,211	3.8%	77.4%	\$142.31	-0.5%	\$110.15	3.3%
2012	302,585	0.0%	243,530	4.0%	80.5%	\$153.43	7.8%	\$123.48	12.1%
2013	348,210	15.1%	285,085	17.1%	81.9%	\$161.86	5.5%	\$132.52	7.3%
2014	316,090	-9.2%	253,067	-11.2%	80.1%	\$165.48	2.2%	\$132.49	0.0%
CAGR	1.1%	-	2.9%	-	-	3.7%	-	5.6%	-
YTD May '14	131,704	-	100,624	-	76.4%	\$156.35	-	\$119.45	-
YTD May '15	148,890	13.0%	114,186	13.5%	76.7%	\$163.90	4.8%	\$125.70	5.2%

Source: PKF Consulting USA

- As shown on the previous table, supply has increased at a compound annual growth rate (CAGR) of 1.1 percent over the past five years. The 15.1 percent supply increase in 2013 reflects the annualized addition of the Homewood Suites Carle Place in March 2013. The 9.2 percent supply decrease in 2014 is attributed to the renovation of the Garden City Hotel. Based on the Smith Travel Research participation list, the Garden City Hotel was under renovation from January through May 2014 and did not report. The 13.0 percent increase in supply as of YTD May 2015 accounts for the completion of the Garden City Hotel renovation. It should be noted that changes in supply attributable to the Garden City Hotel were only temporary as the hotel has remained in the market. The only actual addition to the market was the Homewood Suites in March 2013.
- As shown in the previous table, demand as measured by occupied rooms has increased at a CAGR of 2.9 percent over the past five years. Demand increased 3.8 percent in 2011 and 4.0 percent in 2012 following the recent recession. As a result, occupancy increased from 74.6 percent in 2010 to 80.5 percent in 2012. Occupied rooms then increased 17.1 percent in 2013 following the March 2013 addition of the Homewood Suites. Due to the strength of lodging demand in the competitive market, demand growth exceeded supply growth, resulting in occupancy peaking at 81.9 percent in 2013. Occupied rooms then declined by 11.2 percent in 2014 due to the renovation of the Garden City Hotel. There was minimal change in actual demand as occupancy remained healthy at 80.1 percent, further supporting

that there limited overlap in the demand segmentation at the Garden City Hotel versus the limited service, select service, and extended stay products that comprise the remainder of the competitive set. More recently as of YTD May 2015, occupied rooms increased 13.5 percent, resulting in occupancy of 76.7 percent. As noted earlier, the Garden City Hotel was open in 2015 and was immediately absorbed by the market following the completion of its renovation. At this level of occupancy, the hotels in the competitive market are operating at or near maximum capacity and are unable to accommodate additional demand during peak periods. This creates unsatisfied demand in the market and supports additional hotel development.

- Over the past five years, ADR has increased at a CAGR of 3.7 percent. The market ADR declined by 0.5 percent in 2011 as the competitive market did not have the ability to pursue rate growth following the recession. The market then achieved strong ADR growth of 7.8 percent in 2012 as occupancy in the market exceeded 80.5 percent. ADR growth then tapered to 5.5 percent in 2013 and 2.2 percent in 2014. It should be noted, however, that for five months of 2014, the Garden City Hotel was under renovation and has historically achieved the highest ADR in the competitive market. More recently as of YTD May 2015, the competitive market ADR increased 4.8 percent over YTD May 2014. This is very healthy when compared to the overall Long Island projection of 2.1 percent ADR growth in 2015.
- Overall, RevPAR has increased at a CAGR of 5.6 percent over the past five years. It has increased 5.2 percent as of YTD May 2015 primarily as a result of 4.8 percent growth in ADR.
- Unlike the majority of hotel markets, the Central Nassau County hotel market is not particularly affected by seasonality. Illustrated in the following table is monthly occupancy for the competitive market from January 2012 to December 2014. The months of December, January and February are lower demand periods with occupancy in the mid 70 percent range. March is a shoulder period with occupancy of approximately 79 percent. Monthly occupancy between April and November ranged from 80 to 88 percent. This high level of occupancy is unlike most hotel markets and points to the depth of demand for rooms in the competitive market. We are of the opinion that this provides further evidence of demand for additional hotel development in the competitive market.

Competitive Market Seasonality (Monthly)				
Monthly Occupancy	2012	2013	2014	3-Year Avg.
January	66%	87%	66%	73%
February	67%	84%	71%	74%
March	79%	81%	77%	79%
April	77%	84%	84%	82%
May	80%	83%	84%	82%
June	87%	88%	88%	88%
July	81%	84%	85%	84%
August	84%	85%	88%	86%
September	81%	85%	84%	83%
October	81%	83%	83%	82%
November	91%	74%	74%	80%
December	90%	66%	72%	76%
	81%	82%	80%	81%

- The following table illustrates hotel demand patterns in the competitive market by the day of the week over the past three years. Demand typically peaks on Tuesdays, Wednesdays, and Saturdays. Commercial travel drives Tuesday and Wednesday demand while leisure travel drives Saturday demand. Mondays, Thursdays, and Fridays are shoulder periods with a mix of commercial travel and leisure travel. Sundays are typically the slowest with a mix of discounted commercial and leisure travel.

Three Year Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jun 12 - May 13	68.0	85.2	90.5	90.4	82.8	83.9	90.4	84.4
Jun 13 - May 14	60.1	78.0	87.1	87.6	77.3	79.3	84.9	79.2
Jun 14 - May 15	60.2	77.6	87.3	86.4	77.3	81.1	88.9	79.8
Total 3 Yr	62.6	80.2	88.2	88.1	79.1	81.4	88.1	81.1

- The following table illustrates the ADR of the competitive market by day of the week over the past three years. It should be noted that the ADR on weekdays (Sunday through Thursday) range from \$157.23 to \$164.13 over the past five years. ADR on weekends (Friday and Saturday) are actually higher than weekdays and range from \$163.05 to \$167.68. Unlike most markets, the Central Nassau County hotel market has a thriving weekend business and does not have to discount rate to capture demand. In fact, the market is able aggressively drive rate growth on weekends. Most of this weekend business is driven by summer leisure travel and weddings/social

business. This further illustrates the depth of demand in the local lodging market.

Three Year ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jun 12 - May 13	155.42	160.75	162.18	161.74	158.79	158.71	161.56	160.06
Jun 13 - May 14	153.98	158.64	162.33	161.72	157.50	159.64	164.34	160.07
Jun 14 - May 15	161.83	163.58	167.51	167.35	163.30	170.06	176.06	167.47
Total 3 Yr	157.23	161.08	164.13	163.72	159.98	163.05	167.68	162.69

D. DEVELOPMENT PROGRAM

Based on our discussions with you, we understand that plans for the proposed Subject have not yet been finalized. While plans have not been finalized, the proposed Residence Inn has been approved by Marriott International for development under a franchise agreement. We have been provided with a site plan and a rendering of the proposed Subject as will be presented in this section.

As we understand it, the proposed Subject will be a 163-room Residence Inn Hotel. The proposed Subject will be situated on a 5.9-acre parcel at the southern intersection of Ring Road West and Ring Road South at Roosevelt Field. The Residence Inn will consist of approximately 118,000 square feet of building area. All guestrooms will have kitchenettes and separate sitting areas. Amenities will include a breakfast area, an indoor pool, a fitness area, approximately 750 square feet of meeting space, guest laundry, a sundries area, and 180 parking spaces.

As we further understand it, the Village of Garden City will need to modify existing CR zoning definitions to allow for a hotel, via a special permit from the Village's Board of Trustees. Assuming that this special permit is issued in 2015, construction on the proposed Hotel would begin during the second quarter of 2016 and be complete in the third quarter of 2017. For the purposes of our analysis, we have assumed that the proposed Subject would be open on September 1, 2017.

The proposed Subject will be located at the Roosevelt Field Mall, which is the ninth largest indoor mall in the country. It is the top performing mall on Long Island, anchored by Bloomingdales, Nordstrom, Macy's, and Neiman Marcus (under construction and will open later in 2015). While Roosevelt Field is not expected to be a significant demand generator for the proposed Hotel, it is an amenity which provides a competitive advantage. This competitive advantage will allow the

Upon acceptance of the Application of the Application by the Agency and completion of the Cost/Benefit Analysis, the Agency will attach the proposed PILOT Schedule hereto, together with an estimate of the net tax benefit/cost of the proposed PILOT Schedule.