



Village of Port Chester Industrial Development Agency

350 North Main Street
Port Chester, NY 10573

Minutes: Wednesday, November 30, 2022

Time: 6:30pm

350 North Main Street
Port Chester, NY 10573

1. Chairman's Remarks

Hearing Officer Frank Ferrara read a description of the Project, as follows:
2SM DEVELOPMENT, LLC, for itself and/or a related entity or entities to be formed (collectively, the "Company"), has submitted an application to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain parcels of real property located adjacent and near the corner of South Main Street and Westchester Avenue in the Village of Port Chester, New York (the "Land", being more particularly described as the following addresses and tax parcel numbers: 2 S. Main Street 142.30-2-53, 4 S. Main Street 142.30-2-52, 6 S. Main Street 142.30-2-51, 8 S. Main Street 142.30-2-50, 10 S. Main Street 142.30-2-49, 14 S. Main Street 142.30-2-48, 16 S. Main Street 142.30-2-47, 15 Broadway 142.30-2-58, 7 Broadway 142.30-2-57, and 106 Westchester Avenue 142.30-2-54, as may be merged) along with the existing improvements thereon consisting principally of various multi-story commercial and residential buildings, parking improvements, curbage and related site improvements (the "Existing Improvements"); (ii) the demolition of the Existing Improvements and the planning, design, construction, operation and leasing by the Company of a twelve-story multi-tenanted, mixed-use redevelopment project that will include: (a) approximately 325 residential apartment units consisting of studio, one-bedroom and two-bedroom dwellings, (b) approximately 7,500 square feet of ground floor tenant amenity spaces and 6,800 square feet of street level commercial space to be leased as single or multi-tenanted mixed use commercial/retail space, (c) structured parking improvements providing for approximately 332 parking spaces within 2 subsurface levels, and (d) additional tenant amenity spaces, lobbies, common areas, green spaces, various subsurface structural improvements, roadway improvements, access and egress improvements, storm water improvements, utility improvements, signage, curbage, sidewalks, and landscaping improvements (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Existing Improvements and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land, the Existing Improvements and the Improvements, the "Facility"); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the

Company (the “Straight Lease Transaction”).

It is contemplated that the Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the leases. The Agency contemplates that it will provide financial assistance (the “Financial Assistance”) to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the Project; (b) mortgage recording tax exemptions(s) related to financings undertaken by the Company to construct the Facility; and (c) a partial real property tax abatement structured through a PILOT Agreement. The foregoing Financial Assistance and the Authority’s involvement in the Project are being considered to promote the economic welfare and prosperity of residents of the Village of Port Chester.

AGENCY COST-BENEFIT ANALYSIS:

Based upon information provided by the Company in its Application, the Project will involve an approximately \$150M capital investment by the Company, with significant full time job creation and the creation of construction jobs. The Agency has estimated the amounts of financial assistance to be provided to the Company in the attached cost-benefit analysis attached as Appendix B.

2. Applicant Presentation

Hearing Officer Ferrara introduced Mr. Eon Nichols of Cuddy & Feder, representatives of 2SM Development. Together they reviewed the benefits of the project per the PCIDA’s due diligence process. Mr. Scott Allen of 2SM Development was also in attendance.

- creation of 9 full time and over 400 temporary construction jobs per the application
- replace out of service and functionally obsolete buildings at the key Village downtown intersection
- Assessed Value of the properties according to Town of Rye Assessor projected to go from \$5.7M to \$76M
- widening of South Main Street sidewalks from as narrow as 8’ to minimum 17’ to activate the street, a Village preference
- enhanced streetscaping
- green transportation initiatives such as bicycle parking and approximately 30 EV charging stations
- Moving and Upgrading Bus Stop on South Main Street to improve safety and traffic flow
- Parking will be shared with the public on an as available basis
- Green roof and a stormwater retention system
- enhanced fire safety measures including burying power lines and non-combustible construction• displacement assistance to incumbent tenants
- Honoring PCIDA’s Community Benefits Policy by pledging to hire and source locally as much as practicable
- Cost benefit ratio of 1.13 indicating \$1 13 in PILOT payments for every \$1 of benefit. This is in addition to no less than \$2.6M in mitigation payments to the Village and Schools, plus the 10% Affordable Housing set aside at 60% of Westchester County Area Median Income

- For a more detailed review see the PCIDA's UTEP Appendix B spreadsheet on the Projects page. It scores how the project fares in terms of benefit.

SEQRA:

The Village of Port Chester Planning Commission served as Lead Agency for purposes of SEQRA review for the Project.

3. Public Hearing Document Links

- [Link to Public Hearing Documents](#)

4. Public Comments

SPEAKERS:

Name	Address	Representing
Ms Maggie Nachlin	38 Putnam Drive	Herself
Mr Jose Gonzalez	448 Willett Avenue	Himself
Mr Jose Gonzalez	2 South Main St/35 1/2 North Main Street	El Palacio de Maria
Mr. Neil Pagano	109 Betsy Brown Road	Himself

Ms. Maggie Nachlin (verbal comments paraphrased)

I have real concerns about this project.

First, I understand that the buildings are vacant, but there are many vacancies downtown, including the Waterfront project. Can there be any real demand amidst all these vacancies? What is the 20 year benefit to the Waterfront project which sits mostly vacant?

There are only 9 permanent jobs being created, which I don't consider to be a true benefit.

There are traffic concerns. This is a very busy intersection, only to become more so with the addition of driveways on South Main Street.

There are so many potential problems, and the developer will be long gone before they become apparent.

There is a real financial benefit to the Village and Schools, but there are concerns about worsening schools overcrowding which could well offset any financial benefit.

The schoolchild projections are rosy but even if they are accurate, when you build as many apartments as we are allowing sooner or later the schoolchildren will add up and we will be forced to build a new school, something our taxpayers cannot afford.

In sum, I don't see the value in the enormous tax reductions being sought. For profit developers should undertake their projects only at full tax.

Mr. Jose Gonzalez (verbal comments paraphrased)

I am a Port Chester resident whose family owns a restaurant, El Palacio de Maria, that was previously at 2 South Main Street. We have been displaced by the project.

This is an inconvenience, but my family and I are fully supportive of this project. We appreciate that the Village has a process in place that will help see our business through this transition. The developer has helped us move to another location downtown and invited us back to the new project after construction is complete at the same rent.

This building and many others downtown are literally falling apart. They have not been properly maintained over the years and replacement would be ideal.

Mr. Neil Pagano

(Mr. Pagano spoke but also submitted written comments, which are published in their entirety as part of the Civic Clerk system.

a. Written Comments from Mr. Neil Pagano
As submitted and part of the Agenda Packet.

5. Adjournment

Public Hearing was adjourned at 7:15pm.