Village of Port Chester
Industrial Development Agency
222 Grace Church Street, Port Chester, New York 10573

Minutes: Thursday, December 2, 2021
Time: Immediately following a Public Hearing at 6:30 PM
Village Hall Conference Room, 222 Grace Church St., Port Chester, NY

1. Call to Order
IDA Chairman Frank Ferrara served as the Hearing Officer and opened the hearing.

ATTENDANCE LIST: Agency Staff and Board Members: Board Members Michael Brescio, Richard O'Connell, and James Taylor Christopher Steers, PCIDA Administrative Director

The Port Chester Industrial Development Agency (the "Agency") is conducting this public hearing in connection with a certain proposed project, as more fully described below (the "Project"), to be undertaken by the Agency for the benefit of Tarry Lighthouse, LLC (the "Company"). The Agency published a Notice of Public Hearing in The Westmore News and mailed a copy of the Notice of Public Hearing to each affected tax jurisdiction. An Affidavit of Publication of and Proof of Mailing are attached.

2. Discussion
Mr. Ferrara read a description of the Project, as follows: TARRY LIGHTHOUSE 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 approximately 1.2 acres of real property comprised of five (5) parcels of land located at 20 Abendroth Avenue, 18 Mill Street, and 179, 175 and 163 North Main Street, Port Chester, New York (the "Land", being more particularly described as tax parcel numbers 142.23-2-25, 26, 27, 28 and 29) along with the existing improvements thereon consisting principally of various residential, warehousing and parking space (the "Existing Improvements"); (ii) the demolition, renovation, reconstruction and rehabilitation of the Existing 2 | P a g e Improvements and the planning, design, construction, operation and leasing by the Company of a six story multi-tenanted, mixed use redevelopment project that will include: (a) approximately 209 residential apartment units, (b) approximately 27,905 square feet of multi-tenanted and mixed use commercial/retail space, (c) structured parking improvements in and around the various structures providing for approximately 271 parking spaces, and (d) other amenities, 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.

Mr. Ferrara then introduced Mr. David Mann, the Managing Partner of Tarry Lighthouse, LLC to further describe the project and its features.

AGENCY COST-BENEFIT ANALYSIS: Based upon information provided by the Company in its Application, the Project will involve an approximately $71.5M 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 (see Appendix A) Other benefits include: • mitigations and mitigation payments mandated under SEQRA, including payments to the Village and Schools, and County leading 10% Affordable Housing set aside at 60% of County AMI • Non-wood construction addressing fire safety concerns • Widened sidewalks and amenities 3 | P a g e • Traffic improvements on Highland Street and Abendroth Avenue • Parking provided in excess of requirements that will be shared with the public • The project replaces property that was 75% vacant at acquisition thus revitalizing underinvested property • While embracing the vision of the Village’s Master Plan and Form Based Code, it increases that AV of the properties from about $8.5M to $50M per estimate of the Town of Rye Assessor

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

3. Public Hearing Notice

a. Public Hearing Notice

4. Public Hearing Document Links

a. Public Hearing Document Links Public Hearing Documents

5. Public Comments

Speakers:
Gregg Hamilton - Village Green representing Sustainable Port Chester Alliance and himself
Lorena Cochachi - King St representing X-S Hair Salon
Megaly Cochachi - Adee St representing X-S Hair Salon
Dennis Schack - Proprietor of Sam's
Jeffrey Kohn - Rye Brook Proprietor of The Kneaded Bread
Anthony Tirone - White Plains representing The Capitol Theatre

Submitted Written Comment:
Kiki Short - Quintard Drive representing herself
Arianna Christopher - Betsy Brown Road representing herself

Gregg Hamilton: Why should Village taxpayers should be burdened with providing this developer with return of 7 – 9%? What is the benefit value to the Village, for example, the value of the jobs over time? There are ethical implications. This developer is a bully. He turned off electricity with little to no warning to tenants on the second floor and turned off gas to ground floor tenants including the Hair Salon. Do we want to encourage investors and developers to behave in this fashion?

Lorena Cochachi: Her store is the last one in this complex of buildings. If she leaves, she will have to pay a lot more in rent in another location. It's a very stressful time to impacted business owners and their clients. The developer has gaslighted his tenants and does not have the best intentions of the Village at heart.

Megaly Cochachi :We should not consider giving a tax break to a developer who will not buy out their lease. A few weeks ago, a construction fence around the building collapsed creating a hazard putting tenants, their clients, and passersby at risk. Other developers are acting in good faith with their tenants, but this one is inhumane. Of all the developers in Port Chester he should be the last one to get any tax breaks

Dennis Schack: There are many small businesses downtown that will be negatively impacted by development, but this is inevitable. Overall this kind of development will be a boon for downtown. It will put in place more people to support businesses and this particular project will assist in correcting the parking deficiency downtown. Business owners expect too much from their leases and the process that has been put in place. Many leases have demolition clauses, for example. Mr. Mann reached out when the fence blew down to get assistance in restoring the fence promptly. PILOTs are a common tool for economic development. I don't want downtown to be White Plains but I want to see revitalization and vibrancy. I want to see progress in the Village. 7 - 9% is a pretty modest return given the investment risk. People that think this is excessive may not be familiar with the investment landscape.

Jeffrey Kohn: I don't know the developer but as a local business owner I want to be a good neighbor. This will be good for Port Chester. The project will benefit the Village long term. This is needed. I support the project and progress. Too many things have gotten in the way of development and it's high time. Main Street looks awful. I believe in the Village. My dream came true in Port Chester. Parking is a problem everywhere throughout the Village. This helps address it. There are hiccoughs along the way, but this moves us in the right direction.

Anthony Tirone: I'm not taking a position on this development, but I appreciate development in general. Parking is really key for the Capital Theatre. The Village is challenged in this manner and additional parking is desperately needed. If parking is available on show nights, it's a public good. IDA benefits are a necessary evil to initiate development. A PILOT is a small price to pay to get the development done. The benefits over the long term are clear. Kikki Short I am writing to voice my opposition to the Tarry Lighthouse Project being considered for a PILOT of any length. The developer is currently in litigation with tenants at the location. Furthermore, Lighthouse Living, LLC is being sued by The Fair Housing Justice Center. "FHJC dispatched a couple posing as a husband and wife to inspect The Light House, a five-story, 50-unit building in Port Chester. The entrance was inaccessible, according to the lawsuit, a large gap at the rooftop entrance impeded access to the deck, and the two kitchens they viewed had inadequate space for maneuvering a wheelchair." (https://westfaironline.com/124985/lighthouse-living-accused-of-building-apartments-withbarriers/) It would make sense that ongoing litigation would make this development ineligible for assistance from a public agency such as the IDA.

Arianna Christopher: The application for a PILOT should be denied or substantially reduced for at least the following reasons: (1) The IDA is operating under a faulty UTEP. There were material representations to the public regarding the operation of the revised UTEP matrix that were incorrect (e.g., that the matrix was a baseline only; substantive modifications to UTEP after presentation to the public). See Nov. 10, 2021 IDA meeting. The BOT did not approve the UTEP. (Note that the inclusion of two BOT members on the IDA is not sufficient for this purpose and is contrary to New York State prohibition against government personnel having the simultaneous role of supervisor and supervised. See AGO opinion stating "you cannot be your own boss" and you cannot be responsible for review of your own performance and case law cited therein. The BOT is the supervising body of the IDA making a BOT member's concurrent role on both the BOT and IDA a violation of this law.) (2) The IDA has apparently already decided to grant the PILOT prior to the public hearing. See Nov. 10, 2021 IDA meeting. The BOT did not approve the grant or opine on the value of the development. The site plan should not have been approved, but regardless simply passing the muster of the existing code should not be sufficient to warrant granting the significant benefit proposed. (3) Insufficient benefit to village: a. No meaningful benefit was identified or analyzed. The report obtained by the IDA addresses the applicant's purported need. There is no assessment of benefit to Village. There is a generic description of the project on one page based on the Applicant's submissions. b. The addition of rental apartments does not further the Village's interests (there are existing rental vacancies and to the extent needed, there are multiple projects already in the pipeline that would include hundreds of rental units). In addition, rental apartments does not further the diversity of housing stock (as opposed to condominiums, e.g.). c. The asserted addition of 155 jobs was not analyzed in any way, but simply taken as a given from the applicant's application. There was no disclosure of existing jobs or potential jobs from the buildings as existed prior to the premature demolition of the premises, or if the buildings were populated as they existed. The applicant provides no support for why it was reasonable to assume 155 jobs (apparently the location was not adequate to support the prior well known and popular restaurant). d. The report relied on statistics from Westchester County writ large. The Village is not even close to being in the same position as the County overall. (4) Insufficient assessment of claimed need a. The report does not analyze any of the assumptions or assertions. Compare with the procedures for similar development review in NYC. (5) The development has negative impacts on Village that were not analyzed and are not outweighed by any benefit, e.g.: a. State adverse impact conclusion was not addressed or resolved. b. Destroying historic buildings c. Breaking leases/removing tenants d. Buildings are not inline with existing character e. Ugly construction lot & barricades indefinitely, eliminated sidewalk f. Developer negative indicators: i. Demolished buildings prematurely given ongoing litigation ii. Developer subject of claims of violation of accessibility requirements and discriminatory conduct. See Fair Hous. Justice Ctr. v. Lighthouse Living LLC, 20 CV 4066 (NSR), (S.D.N.Y. Sep. 20, 2021) ("similarities in properties developed within approximately three years of one another indicate that the Lighthouse Defendants, their related entities, and the design and other firms they engaged, including Papp . . . have a regular practice of designing and constructing multi-family residential dwellings . . . that do not comply with the accessibility requirements of the . . . ." (Am. Compl. ¶¶ 22, 54.) .... The similarities between the Properties include the size of the buildings, the entities that helped develop or manage them, the location in Westchester County, and the allegation that they were all opened for occupancy within three years of each other. (Am. Compl. ¶¶ 9-11, 23, 54.) They also share similar defects, with at least two of the Properties having inaccessible mailboxes, roof terraces, and environmental controls, and a lack of floor space. (Am. Compl. ¶¶ 36, 44, 50.) Further, Plaintiff alleges it has identified additional multi-family residential apartment buildings that Papp and other defendants are in the process of designing and constructing, including "a seven-story, 242-unit building to be located in Port Chester and over 150 apartments units across three buildings in White Plains and Mamaroneck." (Am. Compl. ¶ 55.) Taken together, these allegations present a pattern of discriminatory conduct ") Thank you for your consideration.