



Village of Port Chester Industrial Development Agency

222 Grace Church Street, Port Chester, New York 10573

Minutes: Tuesday, February 1, 2022

Time: Immediately following a Public Hearing at 6:30 PM

Village Hall Conference Room, 222 Grace Church St., Port Chester, NY

1. Chairman's Remarks

ATTENDANCE LIST:

Agency Staff and Board Members:

Board Members Richard O'Connell and James Taylor

Christopher Steers, PCIDA Administrative Director

CALL TO ORDER: (Time: 6:30 p.m.). IDA Chairman Frank Ferrara served as the Hearing Officer and opened the hearing.

PURPOSE:

Pursuant to and in accordance with General Municipal Law Section 859-a, the Village of 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 Port Chester Holdings I, 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.

DISCUSSION:

Mr. Ferrara read a description of the Project, as follows:

PORT CHESTER HOLDINGS I, 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 certain parcels of real property located at 27-45 North Main Street, 28 Adee Street and 100 Abendroth Avenue, Port Chester, New York (the "Land", being more particularly described as tax parcel numbers 142.31-1-7, 11, 12, 13, 14, 15, 16, and 17, and 25, 26, 27, 28 and 29, as may be merged and/or assembled into one or more condominium units) along with the existing improvements thereon consisting principally of various mixed use, commercial office, retail and other building improvements (the "Existing Improvements"); (ii) the demolition, renovation, reconstruction and rehabilitation of the Existing 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 203 residential apartment units, (b) approximately 15,500 square feet of multi-tenanted and mixed use commercial/retail space, (c) structured parking

improvements in and around the various structures providing for approximately 144 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. Joseph Cosenza of Port Chester Holdings I, LLC to further describe the project and its features.

APPLICANT PRESENTATION

Mr. Cosenza discussed the benefits of the project from the applicant perspective:

- The revenue impacts will far exceed that of the current buildings, which are out of service, even with a PILOT in place
- Accommodation of a community based not for profit, building them an entirely new space to be wholly owned by the non-profit organization
- Flood risk mitigation as opposed to building on a podium which would prevent activating the street
- Green features such as Storm Water Mitigation, over and above code
- Will bury the electrical wires as a fire safety issue
- Parking has been built above the minimum required, and they are pledged to support public parking as available
- Voluntary loss of 15,000 rentable square footage to honor the spirit of the new code, which prefers varied building heights and roof lines
- Pledge to hire locally as much as practicable and supporting a pre-apprenticeship program to help qualify local workers for these jobs
- Pledge to conduct a fair and transparent bidding system allowing union contractors a level playing field for securing work

Mr. Cosenza noted that the Agency is considering both a 15 year and 20 year PILOT

structure and advocated for the 20 year option. He suggested that this option enables the extent of the benefits of the project.

AGENCY COST-BENEFIT ANALYSIS:

Based upon information provided by the Company in its Application, the Project will involve an approximately \$89.2M 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).

SEQRA:

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

2. Public Hearing Documents and Links

- a. Link to [Public Hearing Documents](#)

3. Public Comments

SPEAKERS

NAME	ADDRESS	REPRESENTING
KRIS CHRISTIAN	PARKWAY DRIVE	HERSELF
DON BOHL	GLENDALE PLACE	HIMSELF
GREGG HAMILTON	VILLAGE GREEN	SUSTAINABLE PORTCHESTER ALLIANCE AND HIMSELF
KIROLLOS HANNA	27 NORTH MAIN STREET	ELEGANT EMPIRE JEWELERS

SUBMITTED WRITTEN COMMENT

NAME	ADDRESS	REPRESENTING
BERGER HARDWARE	43 NORTH MAIN STREET	THEMSELVES
HUMAN DEVELOPMENT SERVICES OF WESTCHESTER	100 ABENDROTH AVE	THEMSELVES
LOUIE SANCHEZ		LOCAL #3 IBEW

Kris Christian

I am concerned about the flooding in the location of these proposed buildings as many of the buildings that are there now have not had their full power restored.

The applicant mentions they will bury the lines, but can they do this on Main Street given that this is a State road?

I am concerned about what appears to be a lack of parking given the number of spaces as opposed to number of units. Many apartments will have more than one occupant.

Where

will all the cars go, on the streets? Also, the proposed parking is inconvenient, being electrically operated.

I am concerned about the retailers that are there now. For example Berger Hardware is going out of business and I assume it is because of this project. And what of parking for the

public that might want to patronize these businesses? If there isn't enough parking for the

residences there will not be sufficient parking to accommodate the retailers.

Is public transportation increasing to ensure people have non-automobile options to come and go from the building?

Finally, have the impacts been studied? Have we taken them into account?

Don Bohl

We hear a lot about the financial benefits of development. If that's the case, when can we expect a reduction in our taxes?

I question the inadequate communication from the Village. How are we know about the changes being proposed for the Village? There is insufficient effort being made to communicate

specific numbers and benefits that can be understood.

Perhaps what is being proposed is acceptable, but if you want to sell these changes to the broad public, we need to improve communications.

Gregg Hamilton

I have given a lot of thought to development proposed throughout the Village. I attend Village and IDA meetings and reviewed the new code. I have come to the conclusion that I am supportive of this project and awarding it a 20 year PILOT, not the 15 year model that is also being proposed.

Replacement of this stretch of flood damaged properties is important and will lead to a tremendous revitalization of this section of North Main Street. The new building will be flood resistant, which is critical for this location.

As opposed to another recent applicant, this developer has been receptive to the concerns of the Village and its residents. To me that is a significant distinction. The

benefits are clear.

This developer is:

- Addressing displacement
- Accommodating HDSW, a community oriented non-profit that really benefits the Village, building them a brand new space in a new building at no cost to them
- Burying electrical service at what is likely to be a \$1M unanticipated cost, a fire safety benefit to the Village
- Altering the Design of the building to mimic the rhythm of the downtown to honor the Form Based Code, which comes at a cost of lost revenue to the project as they surrender buildable square footage
- Conforming to the Village mitigations and code
- Building Affordable Housing that will be the same caliber as the market rate units, allowing Port Chester residents to live in a building like this that they would otherwise not be able to afford

I would like to see more Affordable Housing but I understand the financial challenges. Similarly, I would have preferred if some of the historical detail of the buildings could be salvaged but I do not believe that would be practical.

Approval of this project will lead to a reinvigorated North Main Street. The current buildings are out of service due to the damage wrought by Tropical Storm Ida. I understand there is interior mold from this and previous floodings. Ida has ravaged not just the buildings but the commercial tenants that lease space. At least two have essentially lost their businesses. Mary Anne's suffered the loss of their inventory, which was stored in the flooded basement. Bambu, which had relocated from another building, will likely now never reopen.

Replacing these buildings would yield wonderful new construction, the jobs to go with it, new tenants who would be more secure in a flood resistant environment, and a new energy. The applicant has pledged to work with construction trades and give them a fair shot at bidding on the work. A pre-apprenticeship program would provide a runway to careers. I would like to see the IDA help to fund such a program. The applicant will be a much friendlier local landlord than the developer up the block. We are a small Village and we all know each other. This is the kind of landlord we'd prefer to have.

Finally, there is the question of whether you will grant a 15 year or 20 year PILOT. This project scored 61 points on the Appendix B scoring system, the same as the Tarry project that was awarded 20 years. In my opinion, Tarry is a lesser project. I don't see how you can fail to award a better development like this one with the same treatment. I urge consistency. I watched as you made changes to the UTEP. It took a lot of effort. This is your opportunity to honor what you have done and apply it consistently across the board. I understand there are people that are upset with granting PILOTs, but I have studied the tax flows of both projects. This project will yield a positive Net Present Value to the Village regardless of discount rate applied, and I modeled from 4 – 10%. I am left to conclude this project getting a PILOT will be a good investment for the Village and I would like to see it proceed. The flow of revenue more than offsets what would be

lost.

Kirollos Hanna

I would like to speak about my landlord. I have been on Main Street since 2013 and my prior landlord was very good. But this landlord is far more professional and forthcoming, and I am supportive of their redevelopment efforts. North Main Street does not have what it needs to succeed in 2022. Many of the buildings are faltering. They are old and falling apart. My building has heating and air flow issues. The plumbing underneath is faulty. I know many of the merchants on Main Street, and tenants of other buildings have the same observations as I. I do not believe many of the buildings are salvageable. They have not been properly maintained. I hear from residents that don't want to see change, who want to keep these buildings in place. These people are well meaning but they don't know the facts on the ground. As for displacement whoever wants to be downtown will find a way. The landlord has pledged to work with us and the other tenants. Earlier tonight I heard a resident complain about parking for the building. I believe many of the people that will live here will be commuters that do not want suburban living with amenities like a lot of parking. They are attracted to the environment which is different. 7 | Page I also hear people talk about the supposed foot traffic on Main Street. They are not downtown like I am. I don't know where that foot traffic is because I don't see it and experience it. In my years on Main Street it is my experience that Port Chester residents don't often shop on Main Street. People come to a given store but don't walk the streets and patronize various shops. They run their errand and they leave. Projects like this will help create the foot traffic everyone says we need for downtown merchants like me to be successful. For all these reasons I am supportive of this Board granting the developer the abatement they request. Yes, they are in it to make money, but they do things the right way, and this is what we need.

a. Written Public Comments