

**Nassau County Industrial Development Agency**

**BOARD MEETING**

**MINUTES**

**January 30, 2014**

**I. Roll Call**

Tim Williams	Present
Chris Fusco	Present
John Coumatos	Present
Gary Weiss	Present
Jack Ahern	Excused

**II. Approval of December 18, 2013 Board Meeting Minutes**

NCIDA Chairman Tim Williams said that if fellow members have questions, they should direct those questions to the Staff. Mr. Weiss moved to approve minutes as submitted, subject to question. Mr. Williams seconded the motion. The motion carried unanimously.

**III. Business, Discussion, and Transactions**

a. *Fortuna LLC / Garden City Hotel*

The applicant, Fortuna LLC, acquired the Garden City Hotel in the fall of 2012. The applicant seeks financial assistance from NCIDA to renovate and update the property with a goal of maintaining GC Hotel's position as a first-tier, luxury hotel. The project includes renovation of guest rooms, public rooms, exterior and installation of a new spa. Multiple prime vendors will perform the renovation.

NCIDA Executive Director Joseph Kearney: You are seeking a mortgage recording tax exemption and a sales and use tax exemption. If this project did not receive assistance, would it be viable?

Applicant: No.

Mr. Kearney: How much relief are you asking for?

Applicant: The ultimate project may come in under budget; however; we are requesting the maximum amount of sales-tax exemption.

Mr. Kearney: This should be noted for the board: Staff has worked with the applicant for over six months. The Garden City hotel is an iconic hotel in Nassau County and

important to the local economy. However, the hotel is tired and worn and in need of refurbishment. The applicant will continue to employ 265 permanent full time employees. In addition, with NCIDA relief, the applicant will add 13 new permanent full time jobs and an additional 11 jobs within three years after completion. The Project will create approximately 30 full time construction jobs. The total economic package will realize in \$1.75 million in economic impact.

I have had numerous conversations with Garden City Mayor John Watras about the project and Mayor Watras has expressed tremendous support. The hotel is a good neighbor.

There is no question that the hotel is a tourist attraction; between events, conferences and out-of-state professional sport teams, a large portion of their guests come from outside the economic development region.

Based on the foregoing, Staff enthusiastically supports the project.

Tim Williams: are you refinancing an existing mortgage?

Applicant: No. We are requesting a mortgage recording tax exemption for an additional \$10 million in financing we are securing.

Tim Williams: What is the current debt on the property?

Applicant: The property currently has \$25 million in mortgage debt; the renovations will be financed through a combination of equity and an additional \$10 million loan.

Tim Williams: What is the County's economic benefit from the hotel?

Applicant: The projects purpose is to maintain business and status. Main part of the hotel business is bookings with international airline crews; corporate parents pick where they stay. We hope to expand international travel business and will further market to additional airlines. We also will market our conference and event business. Need to maintain and improve in those key areas.

Joe Kearney: Renovation of catering and ballroom facilities will generate revenue.

Applicant: We are optimistic about increasing corporate meeting business.

Joe Kearney: The Village is enthusiastic as the Hotel feeds into the local 7<sup>th</sup> Street economy.

Applicant: Not all, but significant number of new jobs will be result from a new and expanded spa at the hotel.

Chris Fusco: Is the renovation currently underway?

Applicant: The plan was to begin in January.

Chris Fusco: are the windows being replaced?

Applicant: Yes

Chris Fusco: Where do the workers live ?

Applicant: I don't know; I can tell you prime contractors for window installation are based on Long Island.

Chris Fusco: No. The contractors are from Texas. What about the general contractor?

Applicant: The general contractor is from Texas; I don't remember speaking about the windows.

Chris Fusco: You wouldn't give me any information on the phone.

Applicant: I don't like giving information on the phone.

Joe Kearney: You will sit down with Chris Fusco and talk with other folks from the building trades.

Applicant: We are more than happy to sit down and discuss our project with the Nassau Suffolk Building Trades Council.

Chris Fusco: The workers from Texas, what are they working on?

Applicant: The company is Manhattan based, but the workers are from Texas.

Chris Fusco: are there any local contractors on the job?

Applicant: The subcontractors handling room renovations are based in Queens. I don't know where the labor comes from.

Chris Fusco: do the specialists handling room renovations have an apprenticeship program?

Tim Williams: Applicant, you have to provide us information.

Applicant: I did not know Mr. Fusco was a member of the IDA board.

Tim Williams: It does not matter who from organized labor calls you, please extend them the courtesy of being forthright.

Applicant: in our application, we included the projected budget of the plan that included a detailed list of vendors. I cannot say if there has been any chances or substitutions. We listed all vendors and primes in the application.

Tim Williams: What Chris is discussing is about the labor, not just the contractors. Our responsibility on this Board is to the people who live in Nassau County. If we give benefits, County has to benefit.

Applicant: We will notify building trades.

Paul O'Brien: There are two resolutions for consideration. NCIDA SEQRA Resolution #2014 -01 and NCIDA Final Inducement and Approving Resolution #2014-02.

Gary Weiss moved to approve the combined resolutions, with the provision that Chris Fusco receives satisfactory information and cooperation. Tim Williams seconded the motion. Gary Weiss, Tim Williams, and John Coumatos voted to approve the combined resolution. Chris Fusco opposed the resolutions. The motion carried.

b. *Plaza Landmark LLC Amendment Resolution*

Paul O'Brien said the transaction was borne out of a previously approved and closed deal in Great Neck Plaza – a residential rental property with a 20% affordability component. The project is fully built and open. In the course of administering the property, the developer has come to the realization that some restrictions placed on the property by the Village of Great Neck Plaza and NCIDA are too onerous.

Applicant said the project has 20% of units earmarked as affordable; however, the Village's requirement is 10% earmarked for affordable. The goal was to market all 20% of the units according to Village standards regarding area median income. The affordable units have substantial vacancies. We propose that 10% of units adhere to the new Village requirements and the additional 10% of units have broader eligibility requirements to make available to a larger pool of applicants. Several workforce units are vacant and there is insufficient demand based on restrictions.

Gary Weiss: What are the restrictions?

Joe Kearney: There is an income band.

Applicant: Currently the band is 50-100% of median income. Example rent for a one bedroom is \$2700, but rent for workforce units is substantially less. \$90,000 combined income cannot afford market, but make too much for affordable. Goal is to readjust band to 50-150 % of area median income thereby bringing in higher income bands and charge those applicants somewhere between market and affordable.

Gary Weiss: This modification conforms to our goals.

Paul O'Brien: Can you represent to the Board that you have not turned away anyone from 50-100% range?

Applicant: Yes. We cannot find enough people.

Tim Williams moved to approve NCIDA Resolution #2014-03 based on this conversation. Chris Fusco seconded the motion. The motion carried unanimously.

*c. Supreme Screw*

Applicant is currently based in the Bronx and has looked at options in New Jersey, Connecticut and other facilities in New York City. Currently bursting at the seam, the applicant is in need of a larger facility. The applicant manufactures precision metal parts for medical and automotive industry. They currently have 40 employees. The average salary is \$50,000 exclusive of benefits. The applicant seeks to purchase a property in Mineola, but needs NCIDA assistance to make it work.

Joe Kearney: We have coveted this company since we first met with them. They are a true manufacturing company. The principals drove a very hard bargain; they were ready to leave to NY, but they found a property they liked in Mineola and Staff was able to negotiate an incentive package that made their deal workable.

The applicant will create 29 new full time equivalent jobs over 3 years. In addition, NCIDA connected Applicant with NY State who provided \$600,000 benefits through Empire State Development Corporation.

The benefit package includes a \$23,100 mortgage recording tax exemption, up to 100,000 in sales and use tax exemptions, and a PILOT term equal to a fixed flat rate for 10 years followed by a potential 5-year extension with 1.66% increases for years 11-15.

The total economic impact of the deal is \$76 million. For all the reasons stated, Staff couldn't be more enthusiastic about this project.

Chris Fusco: What do the renovations entail?

Applicant: Mostly electric; we will be turning a clothing warehouse into a manufacturing facility. We need to change flooring, HVAC and ceilings. We will reach out to Nassau Suffolk Building Trades.

Tim Williams: Welcome to Nassau County. We look forward to working with you.

Joe Kearney: Please note for the record that these jobs are high-tech jobs. Principals will look to hire folks in their business; get out of local schools.

Applicant: one of the major reasons for deciding to move to Nassau County is the skilled workforce and great school systems.

Gary Weiss moved to approve combined resolutions: NCIDA SEQRA Resolution #2014-04; NCIDA PILOT Deviation Resolution #2014-05; NCIDA Final Approving Resolution #2014-06. Tim Williams seconded the motion. The motion carried unanimously.

#### **IV. Treasurer's Report**

NCIDA Chief Financial Officer Joseph Foarile said that he does not anticipate any major adjustments by the auditor. NCIDA was in the black for 2014.

#### **V. Adjournment**

Tim Williams moved to adjourn the meeting. Unanimously approved.