

Nassau OKs up to \$2.6M tax break for Garden City Hotel

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Nassau County agreed to give the Garden City Hotel up to \$2.6 million in tax breaks for renovations, subject to the owner talking with unions about employing local construction workers. (Credit: Jason Andrew)

Nassau County Thursday night agreed to give the Garden City Hotel up to \$2.6 million in tax breaks for renovations, subject to the owner talking with unions about employing local construction workers. The luxury hotel, first opened in 1874, embarked on a \$26 million improvement plan this month. It calls for overhauling about 280 guest rooms, the lobby, ballroom and facade.

Many of the 24 jobs to be created during the next five years will be at an expanded spa, similar to those found at resorts, according to hotel attorney Richard Eisenberg.

The nine-story hotel has a staff of 265. Records show they earn, on average, \$26,000 per year, excluding benefits.

Eisenberg said Fortuna Realty Group of Manhattan, which has owned the hotel since late 2012, must make improvements to attract more events, business travelers and flight crews.

He said the hotel faces a loss of business in 2015 when the Islanders hockey team moves to Brooklyn; visiting teams often stay at the hotel.

"Refurbishment of the hotel is needed to maintain and hopefully improve its competitive position," Eisenberg told the county's industrial development agency.

IDA executive director Joseph J. Kearney agreed, saying the hotel "has gotten tired, it's gotten a bit worn."

County Executive Edward Mangano said the upgrade was necessary "with tourism and economic activity on the rise."

Fortuna paid \$42 million for the iconic property in fall 2012 and assumed an existing \$25 million mortgage. The seller, the Nelkin family, had done renovations during more than 30 years of ownership.

Much earlier, the hotel was rebuilt twice by famed architect Stanford White and grew in popularity in the 1920s. Aviator Charles Lindbergh stayed there the night before his historic trans-Atlantic flight in 1927.

In a 3-1 vote, the IDA Thursday night approved a sales-tax exemption of up to \$2.5 million for furniture, materials and other supplies. The hotel also will save \$125,000 off the mortgage recording tax.

Christopher Fusco, IDA assistant secretary and president of Local 7 of the United Brotherhood of Carpenters and Joiners union, voted "no" because he said hotel executives had stonewalled when he called about using local workers.

"Where are the workers from?" Fusco asked Thursday night.

Alan Reich, the hotel owners' construction representative, responded, "I don't know."

Fusco shot back, "They're from Texas."

Reich confirmed some, but not all the construction workers, hail from the Lone Star State. He said the hotel is using contractors from Long Island, Queens and Manhattan.

IDA chairman Timothy Williams interrupted, ordering Reich and others to begin talks with the building and construction unions.

Williams said, "You need to be more forthright and forthcoming with these people, especially if you are asking for benefits and relief from the county."