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## NOTICE OF DEVIATIONS FROM UNIFORM TAX EXEMPTION POLICY

January 6, 2010

Honorable Kate Murray  
Town Supervisor  
Town of Hempstead  
Town Hall  
One Washington Street  
Hempstead, New York 11550

Dr. Nathaniel Clay  
Superintendent  
Hempstead Union Free School District  
185 Peninsula Boulevard  
Hempstead, New York 11550

Honorable Wayne Hall  
Mayor Village of Hempstead  
99 Nichols Court  
Hempstead, New York 11550

Honorable Edward Mangano  
County Executive  
Nassau County  
1 West Street  
Mineola, New York 11501

Re: Town of Hempstead Industrial Development Agency  
(590-600 Realty, Corp. Facility)

Ladies and Gentlemen:

590-600 Realty, Corp. (the "Company"), has applied to the Town of Hempstead Industrial Development Agency (the "Agency"), to enter into a transaction in which the Agency

January 6, 2010

will assist in the acquisition of approximately 3.76 acre parcel of land located at 590-600 Fulton Avenue, Village of Hempstead, Nassau County, New York (further identified as Section 34, Block 405, Lots 365 and 366) (the "Land"), and the renovation and equipping thereon of two existing 6-story apartment buildings consisting of 337 residential units, including, but not limited to, the installation of new windows and doors, renovation of bathrooms and kitchens, roof replacement, modernization of the lobby area, installation of security cameras, landscaping, brick pointing, lintel replacement and improved lighting (the "Improvements and Equipment"), all to be leased by the Agency to the Company and used by the Company to provide affordable housing to residents of the Town of Hempstead (the Land, together with the Improvements and Equipment, collectively, the "Facility"). The Facility will be initially owned, operated and/or managed by the Company. In connection therewith, the Agency will acquire title to the Facility and provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the Facility, exemptions from sales and use taxes in connection with the renovation and equipping of the Facility and abatement of real property taxes levied upon the Facility.

The Company has requested that the Agency grant a payment in lieu of tax agreement (the "PILOT Agreement"), to provide additional financial assistance to the Company in the form of abatements of real property taxes for a term of twenty (20) years following the completion of the construction of the Facility. The requested financial assistance deviates from the Agency's Uniform Tax Exemption Policy (the "Policy") adopted on September 12, 2002, because the proposed PILOT Agreement will be for a term of up to twenty (20) years instead of ten (10) years. In accordance with the Agency's policy, the requested PILOT Agreement will set a fixed PILOT amount per residential unit subject to annual escalations throughout the term of the PILOT Agreement. Copies of the proposed twenty (20) year PILOT Schedule are available at the office of the Agency and will be available at the Public Hearing and Agency Board Meeting described below. The Agency proposes to deviate from the Policy because the Facility will provide much needed affordable housing for the residents of the Village of Hempstead and the Town of Hempstead and the project would not be economically viable without a twenty (20) year PILOT with fixed PILOT payments subject to periodic escalations.

The Agency will hold a public hearing (the "Public Hearing") relating to the Facility on January 25, 2010 at 10:00 a.m., local time, at 350 Front Street, 2nd Floor, Hempstead, New York 11550 in connection with the requested PILOT Deviation. Attached is a copy of the Notice of Public Hearing describing the project and the additional financial assistance requested by the Company as Exhibit A. The Notice of Public Hearing was published in Newsday on January 8, 2010.

The Board of the Agency will consider a resolution approving the financial assistance to be granted to the Company, including the twenty (20) year PILOT Agreement, at the Agency's Board Meeting (the "Board Meeting") on January 27, 2010 at 9:00 a.m. local time, at 350 Front Street, 2<sup>nd</sup> Floor, Hempstead, New York 11550.

You and your representative are welcome to attend such Public Hearing on January 25, 2010 and/or the Agency's Board Meeting on January 27, 2010 at which time you will have an opportunity, both orally and in writing, to present your views with respect to the requested

January 6, 2010

financial benefits. We are providing this notice to you, pursuant to Sections 859-a and 874 of the New York General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Very truly yours,

TOWN OF HEMPSTEAD INDUSTRIAL  
DEVELOPMENT AGENCY



By: Frederick E. Parola  
Title: Executive Director and Chief  
Executive Officer

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## NOTICE OF PUBLIC HEARING

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NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title I, Article 18-A of the New York State General Municipal Law, will be held by the Town of Hempstead Industrial Development Agency (the "Agency") on the 25th day of January, 2010 at 10:00 a.m., local time, at 350 Front Street, 2<sup>nd</sup> Floor, Hempstead, New York 11550, in connection with the following matters:

590-600 Realty, Corp., a New York business corporation (the "Company"), has applied to the Agency, to enter into a transaction in which the Agency will assist in the acquisition of approximately 3.76 acre parcel of land located at 590-600 Fulton Avenue, Village of Hempstead, Nassau County, New York (further identified as Section 34, Block 405, Lots 365 and 366) (the "Land"), and the renovation and equipping thereon of two existing 6-story apartment buildings consisting of 337 residential units, including, but not limited to, the installation of new windows and doors, renovation of bathrooms and kitchens, roof replacement, modernization of the lobby area, installation of security cameras, landscaping, brick pointing, lintil replacement and improved lighting (the "Improvements and Equipment"), all to be leased by the Agency to the Company and used by the Company to provide affordable housing to residents of the Town of Hempstead (the Land, together with the Improvements and Equipment, collectively, the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Agency will acquire title to the Facility and lease the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Agency. The Agency contemplates that it will provide financial assistance to the Company in the form of sales tax exemptions, exemptions from the mortgage recording tax if a mortgage is required now or in the future, and an abatement of real property taxes for a term of approximately twenty (20) years following completion of the renovation of the Facility, consistent with the policies of the Agency.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility.

Dated: January 6, 2010

TOWN OF HEMPSTEAD INDUSTRIAL  
DEVELOPMENT AGENCY

By: Frederick E. Parola  
Title: Executive Director and  
Chief Executive Officer