NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
1 WEST STREET
4TH FLOOR
MINEOLA, NY 11501
TELEPHONE (516) 571-1945 FAX (516) 571-1076
www.nassauida.org

July 27, 2020

CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL

County Executive Laura Curran
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

Supervisor Donald X. Clavin, Jr.
Town of Hempstead
1 Washington Street
Hempstead NY 11550

City Manager Donna M. Gayden
City of Long Beach
1 West Chester Street
Long Beach, NY 11561

City Council President John Bendo
City of Long Beach
1 West Chester Street
Long Beach, NY 11561

Superintendent Dr. Jennifer Gallagher
Long Beach School District
235 Lido Blvd.
Lido Beach NY 11561

NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Ladies and Gentlemen:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on August 20, 2020 at 6:30 p.m. local time to be conducted electronically, as hereinafter described, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

In accordance with Section 859-a of the General Municipal Law, a representative of the Agency will present a copy of the Company's project Application, which is also available for viewing on the Agency's website at https://nassauida.org/incentive-documents/. However, given the ongoing COVID-19 public health crisis and related Executive Orders issued by Governor Andrew M. Cuomo, the Agency will not be able to accommodate any in-person public attendance or participation at this meeting. Nonetheless, and in furtherance of the provisions of Section 859-a of the General Municipal Law requiring interested parties be provided a reasonable opportunity, both orally and in writing, to present their views with respect to the Project, and pursuant to Governor Cuomo's Executive Order 202.15 issued on April 9, 2020, as extended by Executive Order 202.29 issued on May 8, 2020, Executive Order 202.39, issued on June 7, 2020, Executive Order 202.49 issued on July 6, 2020 suspending the Open Meetings Law and authorizing the conduct of public meetings through use of telephone conference, video conference and/or other similar service, the Agency will broadcast the meeting live on its Youtube channel at https://www.youtube.com/channel/UCuERg-5BYx9VSdBVHUPTYJw/featured. In addition, the Agency will provide public access to provide oral comments via Zoom. To register for the Zoom meeting, please visit the Nassau County Industrial Development Agency website at NassauIDA.org. After registering, you will receive a confirmation email containing information about joining the webinar. Finally, the Agency also encourages all interested parties to submit written comments to the Agency, which will all be included within the public meeting record. Any written comments may be sent to Nassau County Industrial Development Agency, One West Street, 4th Floor, Mineola, New York 11501, Attn: Harry Coghlan, Chief Executive Officer/Executive Director and/or via email at info@nassauida.org.

At the meeting of the Agency, the Agency will consider the application of ENGEL BURMAN AT THE BEACH LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York on behalf of itself and entities formed or to be formed on its behalf (the "Applicant"), has presented an application for financial assistance (the "Application") to the Agency, which Application requests that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in an approximately 6.04 acre parcel of land located between Long Beach Boulevard, Shore Road and Riverside Boulevard, City of Long Beach, Nassau County, New York (Section: 59; Block: 116; Lot: 38) (the "Land"), (2) the construction of an approximately 620,000 square foot mixed-use building, transit oriented development (collectively, the "Building") on the Land, together with related improvements to the Land, including, but not limited to, a parking garage, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "Equipment") necessary for the completion thereof (collectively, the "Project Facility"), all of the foregoing for use by the Applicant as a residential facility consisting of approximately two-hundred (200) residential condominium housing units, two-hundred-thirty-eight (238) residential rental housing units (30 of which units shall be affordable/workforce units) (the "Rental Portion") and approximately 6,500 square feet of retail space, together with two (2) levels of structured parking; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the

General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes (but only with respect to the Rental Portion), mortgage recording taxes and/or sales and use taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes with respect to the Rental Portion only of the Project Facility. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Rental Portion only of the Project Facility as follows:

(i) for the period prior to the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Closing Date being the Effective Date, as defined below, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twenty-eight (28) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT (the "PILOT payment(s)"). The PILOT payments shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments payable on the Land and the existing improvements thereon, which amount shall be increased by 1.81% per year (compounded) after the first (1st) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the Closing Date including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate (being the sum of tax rates as of the year of the Closing), and (iii) the number 0.01, as phased in and adjusted pursuant to the column entitled "PHASE IN EXEMPTION PERCENTAGE OVER ASSESSED VALUE OF IMPROVEMENT" in Exhibit A attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the

Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, General Tax Bills (equalized if necessary) based on the most recent assessment data available to the Agency as of the year in which the Closing Date occurs.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.

The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy. The PILOT payments shall be allocated among the affected tax jurisdictions in proportion to the amount of real property taxes that would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status of the Agency.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the Base Year PILOT Amount would not be lower than the real property taxes that should otherwise apply with respect to the Project Facility as of the closing date.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:_____
Harry Coghlan
Chief Executive Officer

EXHIBIT A*

YEAR	BASE PILOT	PHASE IN EXEMPTION PERCENTAGE OVER ASSESSED VALUE OF IMPROVEMENT	IMPROVEMENT PILOT	TOTAL PILOT PAYMENT
Construction	$225,041	-		$225,041
Construction	$229,114	-		$229,114
Construction	$233,261	-		$233,261
1	$237,483	0.00%	$0	$237,483
2	$241,782	0.00%	$0	$241,782
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14	$299,853	20.00%	$519,337	$819,191
15	$305,281	25.00%	$649,172	$954,452
16	$310,806	30.00%	$779,006	$1,089,812
17	$316,432	35.00%	$908,840	$1,225,272
18	$322,159	40.00%	$1,038,675	$1,360,834
19	$327,990	45.00%	$1,168,509	$1,496,499
20	$333,927	50.00%	$1,298,343	$1,632,270
21	$339,971	55.00%	$1,428,178	$1,768,149
22	$346,124	60.00%	$1,558,012	$1,904,136
23	$352,389	65.00%	$1,687,846	$2,040,236
24	$358,767	70.00%	$1,817,681	$2,176,448
25	$365,261	75.00%	$1,947,515	$2,312,776

* PILOT payment amounts are for illustration purposes only, assuming closing in the current fiscal tax year.

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