



Coalition to Save Hempstead Harbor

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June 24, 2016

Industrial Development Agency
City of Glen Cove
9 Glen Street
Glen Cove, NY 11542

Dear Mayor Reginald A. Spinello, Chairman
and Members of the Glen Cove Industrial Development Agency:

As a Glen Cove resident and board member of the Coalition to Save Hempstead Harbor (CSHH), I attended the IDA meeting on Wednesday evening, June 22, regarding RXR-Glen Isle's application for \$97 million in financial assistance to go toward the Garvies Point waterfront development project. As a CSHH board member, I object to the scale of the project on grounds of the various adverse environmental and quality-of-life impacts that the project will have on Glen Cove and surrounding communities and that CSHH has reiterated throughout the environmental-review process and beyond. As a Glen Cove resident I am appalled that once again the city is willing to give the developer whatever it requests with seeming little regard for what is truly best for Glen Cove residents. The latest proposed accommodation for the developer creates an unprecedented financial risk for Glen Cove residents. It is unclear how the city's administration can continue to assert that the project will be a revenue generator for the city given the latest proposal to allow the developer to borrow against future tax revenues.

The IDA did not offer a clear explanation, in specific and concrete terms, of how the bonds that will be used to fund the \$97 million loan will be paid back in a failsafe fashion. Instead, Glen Cove residents are left with numerous unanswered questions:

- Where has the City of Glen Cove disclosed the amount of future tax revenue that will be generated by the project or the amount that Glen Cove will give back to the developer in the form of a tax exemption (RXR-Glen Isle's application says "TBD" on both these numbers)?
- Where is the schedule, by year and by different tax scenarios, that outlines how RXR-Glen Isle is deriving its numbers for the payback, e.g., what will accrue to Glen Cove after the bond holders are paid their share?
- What is the interest/profit on the bonds for bond holders?
- If it takes 5 to 10 years to complete the project, there may be minimal income let alone profit during this period. How long does Glen Cove have to wait to recoup its loan from future tax revenues?

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- What happens if RXR-Glen Isle doesn't raise enough private funding from other sources?
- What happens if, for example, only half the condos are sold because buyers are still fearful of continuing contamination on the property?
- What happens should RXR-Glen Isle LLC, which is not RXR, becomes insolvent and does not complete the project?

Further, why should city residents believe the projections for the number of jobs that will be created by the project? A May 13, 2014, *Newsday* article reported that “Glen Cove's Industrial Development Agency tax breaks generated fewer jobs per dollar than any other IDA in the state in 2012, according to a report released Tuesday by State Comptroller Thomas DiNapoli.”

The article went on to state that “Most of the total \$1.9 million tax exemptions in Glen Cove were for two Avalon Bay downtown luxury apartment buildings that were supposed to create 31 jobs. In 2012, the IDA reported that the projects employed 13 people.

The city administration continues to tell residents they should support the Garvies Point waterfront development (a project whose unprecedented scale and density will forever change the character of this community), because the project will be a financial boon to the city, create jobs, and provide amenities that the developer will pay for. Now, it comes out that Glen Cove has to finance these amenities or RXR-Glen Isle will not build the project--perhaps the best thing that could result, if the city refuses to meet yet another accommodation to the developer at the expense of city residents.

Finally, giving residents a mere three days to comment on the proposed \$97 million loan to the developer is disingenuous and simply not enough time for residents to try to understand what the IDA is proposing and the full impact of the agency's vote, including the financial risk for Glen Cove and its residents.

Sincerely,

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