

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
REGULAR MEETING
December 13, 2012
6:30 PM**

Call to Order

Mr. Bailey, Chairman of the Agency, called the meeting to order at 6:41 p.m.

Attendance

Members of the Agency (the “Members”) in attendance were:

Lamont R. Bailey

Jeffrey M. Greilsheimer

Howard Weitzman

Members absent were:

Rodney A. Caines

Agency staff present consisted of:

Dermot F. Kelly, Executive Director

Joseph Santamaria, Assistant Director/Project Manager

Patrice P. Allen, Administrative Assistant

Peter Dzwilewski, In-house Counsel

Minutes of Meeting Held on October 24, 2012

Upon the motion of Mr. Weitzman, seconded by Mr. Greilsheimer, the minutes of the meeting held on October 24, 2012, were accepted.

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Executive Director's Report

The Executive Director's Report consisted of the following:

Operations:

Copies of the Chart of Accounts Balance from the County Office of Community Development (the "OCD"), and monthly Bank Statements were given to the Members for review.

(The "Agency")'s current Chart of Accounts Balance as per (the "OCD"), as of 11/12/12 is \$1,387,798.10

Cash Balances:

- Citibank –Lump Sum Account - \$417,958
- Valley National Bank - Program Income Account - \$938,927
- Citibank –Escrow Account - \$7,061

New Cassel Urban Renewal Plan

Site A - The Board of Zoning and Appeals ("BZA") approved the Master Plan for this Site. The plan pre- approves zoning variances and architectural design, which allows Bluestone to market the remaining 10,540 square feet of vacant retail space for prospective tenants.

Paradise Cove Restaurant has no change in their development. They have received the ("BZA") approval for food use, and continue with the build out. The restaurant is still pending approval from the Fire Marshall.

Site B– The Supermarket - Tony and Eddie's purchased the condominium unit and received approval for the build out plans. The permits necessary for the build out have been issued and has commenced. The build out was estimated to be completed by November 2012, however the delay in opening was caused by a dispute between the building management and the Supermarket over who is responsible for the installation of a venting system.

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The Bank of New York Mellon (“BONYM”) has signed a contract with Worthy NYC, Inc. (“Worthy”) an existing business in New Cassel that will expand using 3,180 square feet of vacant space from (“BONYM”). The Community Development Agency, (The “Agency”) has been working very closely with the owner of (“Worthy”) who would like to purchase this space and relocate from Site H. The (“BONYM”) though its real estate holding company has agreed to sell the property to Prospect New Castle Realty, Inc. (“Prospect”) the holding company for Worthy NYC, Inc. (“Worthy”) for \$425,0000. (The “Agency”), pending the Board approval, will participate in the financing. (“Prospect”) plans on leasing the space to (“Worthy”) and already has prospects for the vacant space.

Site C - No Change in this site’s status. (“BONYM”) is still seeking a purchaser for the remaining 3,800 sq. ft. of commercial space.

Site D - (“BONYM”) and 139 LLC a holding company for James J. Vilardi (“Developer”) have negotiated a preliminary agreement to complete the development, construction and sale of the project. (“Developer”) will sign the Amended Land Disposition Agreement approved by the (The “Agency”), in September 2011 and complete the foreclosure process started by (“BONYM”). (The “Agency”), has requested a schedule from the (“Developer”) with milestones towards the Project’s completion. (The “Agency”)’s staff and outside Counsel Mr. Mark Cuthbertson, have continually expressed our willingness to work with the (“BONYM”), (the “OCD”), and all concerned to complete the development of this project.

Site E – (The “Agency”) closed with Conifer in early August. Site work has begun and is on schedule.

Site H – This property is completely sold and occupied.

Site I – The Proposer has identified the Construction Lender and provided a satisfactory term sheet. (The “Agency”) is working with the Development team on construction costs and the schedule as it pertains to the public subsidies. The proposal was sent out to Bowne and in return have several questions and concerns which (The “Agency”) is discussing with the Developer. There are also questions regarding the schedule and marketing plans submitted. Once these concerns have been dealt with, (the “Agency”) will make a recommendation.

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Site M – No Change The Haberman (“Haberman”) completed the appraisal for (the “Agency”) and valued the property of 983 Prospect Avenue at \$500,000. Standard Valuation Services (“SVS”) reviewed the appraisal performed by (“Haberman”) taking the more recent comparable transactions in the area and determined an increase in value to \$640,000 to \$680,000. The appraisal completed by JDP Posillico (“JDP”) for the property owners valued the property at \$1,150,000. The review of the (“JDP”) appraisal by (“SVS”) determined that an unlicensed appraiser prepared it. The appraisal inadequately documented, based upon old data, improper or unsupported valuation procedures, and it grossly overstated the market value of the subject property and in many areas in violation of Uniform Standards of Professional Appraisal Practice (“USPAP”). (The “Agency”) has confirmed that condemnation cannot take place on commercial property for a mixed-use or commercial use. (The “Agency”) has made voluntary purchase offers to both the owners of 983 and 985 Prospect Avenue. The owner of 985 Prospect Avenue has indicated that they have decided not to sell now. The owner of 983 Prospect Avenue is open to selling within the price range (“SVS”) has valued the property. (The “Agency”) will continue discussions with the owner of 983 Prospect Avenue.

Upon the motion of Mr. Bailey, duly seconded by the Board, the Executive Director’s Report, to the extent of the Members’ knowledge of the events referred to, was accepted and approved unanimously.

For Consideration

RESOLUTION NO. 28 (2012)

A RESOLUTION AUTHORIZING A LOAN AND AUTHORIZING THE EXECUTION OF A LOAN IN CONNECTION THEREWITH.

WHEREAS, the Town of North Hempstead Community Development Agency (the “Agency”) is committed to the opening of a store that will sell sneakers apparel and other clothing accessories that will serve the New Cassel Urban Renewal Area; and

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WHEREAS, Prospect New Castle Realty Corp. (“Borrower”) is seeking to acquire and operate an approximately 3,180 square foot commercial condominium unit (the “Real Estate”) at 735-765 Prospect Avenue, Westbury, New York (the “Project”);and

WHEREAS, the Borrower has requested from the Agency a \$300,000 loan to purchase the Real Estate to implement the Project and for professional fees (the “Loan”); and

WHEREAS, Agency staff recommends that the members of the Agency (the “Members”) authorize the making of the Loan, at an annual interest rate of 3.25% and for a 10 year term, secured by a first mortgage on the Real Estate with personal guarantees from Mahinder Pal Singh and Jasbinder Kaur and related companies corporate guaranties from: Worthy NYC, Inc., Next Level NY Inc., Nanki Web Inc., Neet Brothers, Inc., and J & P Sidana, Inc., and on such other terms and conditions as are identified in materials presented with this resolution (the “Staff Recommendation”) and such other documents as Agency counsel directs are necessary in connection with a transaction of this nature, and

WHEREAS, the Members also wish to authorize and adopt the Staff Recommendation.

NOW THEREFORE, BE IT

RESOLVED, that the Members hereby authorize and adopt the Staff Recommendation and the Loan; and be it further

RESOLVED, that the Executive Director of the Agency or any officer thereof is hereby authorized to execute such agreements and instruments and to take such other action as may be reasonably necessary to effectuate the foregoing.

Upon the motion of Mr. Bailey seconded by Mr. Greilsheimer resolution was unanimously adopted.

Adjournment

Upon a motion by Mr. Bailey, the members of the Agency, by unanimous vote, adjourned the meeting at 7:02 p.m.