



# HEMPSTEAD VILLAGE

## Downtown Revitalization Frequently Asked Questions

### Q. When will the construction start on the project?

The Master Developer is aiming to break ground on Phase 1 in the first half of 2016. In addition, the Master Developer has already filed four site plans for development with property owners on Main Street across from the bus and railroad stations. The Master Developer will file site plan applications for all remaining municipal parcels in 2016.

### Q. How was the purchase price determined?

Purchase price was determined through a contractually prescribed appraisal process set forth in the Master Developer Agreement, which was upheld by the Courts. Because of the high level of market risks in the Village, the high costs of required parking infrastructure, and the fact the buildout that will take place over an eight-to-ten-year period (leading to uncertainties regarding market cycles, construction costs and infrastructure), the value under the appraisal process was determined to be a net negative number, and as such, the purchase price is deemed to be zero. This is not uncommon for large scale mixed-use redevelopment projects contemplated in areas that have historical investment challenges (ie. Wyandanch, the Nassau Coliseum, Times Square in NYC, etc.).

### Q. Why would Master Developer acquire the properties if the value was in a negative amount or zero?

The developer has already invested over \$10 million in the project and is willing to take the risk that, though today the value may be zero, once the project commences and there is a critical mass of development under way or completed, the factors such as high market risk and market cycles and the other uncertainties will be mitigated, creating opportunities for future success.

### Q. Why is the developer committing to pay \$8 million to the Village if the purchase price for the properties is zero?

The advantage of a master development arrangement is that aligns the interests of the master developer and the municipality – both have a strong incentive to see the municipality succeed and prosper. The Master Developer agreement and the Community Benefits Agreement call for the Master Developer to work with the Village to ensure the success of the overall project and promote the interests of the Village and its downtown. The money committed by the Master Developer is in furtherance of those goals.

### **Q. What will the Village do with the money committed by the developer?**

The Village can spend the money as it sees fit in order to further the interests of the Village and its downtown revitalization efforts. The Mayor will propose to the Village trustees several ideas to revitalize and beautify the downtown on December 17<sup>th</sup> and solicit other ideas as well.

### **Q. What will happen with the Village parking lots that are currently being utilized for parking?**

The Village will continue to operate parking lots and have full use of its associated revenue until the parcels are redeveloped. At such a time, replacement parking must be identified and provided by Master Developer, with the revenue from such replacement parking continuing to support the Village going forward.

### **Q. Will any residents of the Village be displaced by the project?**

Absolutely not.

### **Q. Will the development raise our real estate and school taxes?**

Absolutely not. In fact, as development occurs on the sites being transferred to the Master Developer, there will be a positive tax benefit for the Village and school district, since today more than 30 percent of all downtown properties are completely off the tax rolls.

### **Q. How are the Village's sewer problems being addressed?**

Phase I is directly responsible for having secured commitments for in excess of \$25 million dollars for sewer repairs and upgrades that otherwise would never have happened.

### **Q. What benefits are there for local jobseekers and contractors?**

To ensure the goals for local job and contractor representation are met, a Community Benefits Agreement has been signed with the Master Developer that has a local hire goal of 25 percent for construction jobs, permanent jobs and contractors during construction.

### **Q. What is the economic impact of the development?**

At full build-out, the development will result in billions of dollars of investment in the Village, thousands of construction jobs and thousands of full-time jobs. There will, at full build-out, also be millions of dollars in annual incremental tax revenue for the Village and school district.