



**27-45 North Main Street, Port Chester, NY**

### **IVY FORWARD DEVELOPMENT**

We have prepared this fact sheet to remind the IDA and the Village of the multitude of benefits that will accrue to the Village and the community when Port Chester Forward is developed, which is possible only with a 20-year PILOT. We provided a revised proforma after members of the IDA suggested updates to the proforma to incorporate changes of fact that have arisen since the application was first submitted.

During the past six months inflation has become a fact of life. Rising construction costs and the dramatic impact of Tropical Storm Ida have **significantly raised our total project costs**, making our original financial statements to the IDA for a 20-year PILOT out-of-date. Ivy has re-submitted its PILOT proforma analysis incorporating these increased costs, providing an even stronger case for granting a 20-year PILOT.

Ivy Realty is eager to build and invest in the Village of Port Chester. We have spent years carefully planning the Port Chester Forward project and have accommodated numerous suggestions from the community and Village officials, both in the design of the building and addressing important socio-economic concerns. We have not paid lip-service to the Village's concerns.

- Ivy has been pro-active in assisting displaced tenants, agreed to absorb the cost of burying electrical service to the building and reconstructing municipal water and sewer lines badly damaged by Tropical Storm Ida. In addition, we have agreed to install a minimum of 144 parking spaces; a flood risk mitigation technology unlike any other in the Village; green features such as water capture; ground-level retail space to help revitalize the Main Street corridor, and community service space.
- We are committed to strengthening local employment by hiring a significant number of workers from the community, supporting a pre-apprenticeship program to help qualify local workers for those jobs. Moreover, we will install a fair and transparent bidding system that provides union contractors a level-playing field for securing work.
- One can see from the figures below that our project provides Port Chester with badly needed revenue to help ward off a growing fiscal crisis. Over the next 20 years the project will generate over \$21 million in additional revenue for the Village (\$42 million over the next 30 years).

Thank you in advance for your re-assessment of our project and your objective re-consideration of Ivy-Realty's PILOT application in the New Year.

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**IVY REALTY SERVICES, LLC**  
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## How the Ivy Forward project will benefit all of Port Chester

### Economic Metrics:

<u>Port Chester Revenue from Ivy Project</u>					
	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>	<u>20-years Cumulative</u>	<u>30-years Cumulative</u>
<b>No Development</b>					
Real Estate Tax	255,108	265,466	279,008	5,617,224	8,873,904
<b>Development</b>					
Real Estate Tax	255,108	626,133	1,131,902	24,409,186	48,682,589
Mitigation Fee	1,960,000	-	-	1,960,000	1,960,000
IDA Fee	450,000	-	-	450,000	450,000
<b>Total</b>	<b>2,665,108</b>	<b>626,133</b>	<b>1,131,902</b>	<b>26,819,186</b>	<b>51,092,589</b>
<b>Increased Revenue Generated by Ivy Development</b>					
	<b>2,410,000</b>	<b>360,667</b>	<b>852,894</b>	<b>21,201,962</b>	<b>42,218,685</b>

To clarify, the IDA Fee is due and payable upon “closing” of the PILOT and the Mitigation Fees are due upon issuance of a building permit. ***Both of these events will occur in year 1, so there will be an immediate \$2,410,000 economic benefit to the village above existing taxes.***

Note that market taxes after the expiration of the PILOT will exceed current taxes (inflated) by \$2 million per year and grow every year.

The numbers shown above (except the “30-years Cumulative” column) are taken directly from the IDA commissioned financial analysis completed by Camoin Associates and Storrs Associates.

**Affordable Apartments:** The site currently contains 10-apartments. The development will provide 21 modern, code compliant affordable units with the same finishes and amenities as the market rate units. The income requirement to qualify for the affordable units is 60% of area median income.

**Job Creation:** The project is expected to generate 350 construction jobs and 20 full time jobs after completion. In conjunction with the construction, we have offered to invite union “trade contractors” to participate in the bidding process for parts of the work and to make that process fair and transparent. We wish to hire locally as much as possible and are open to a pre-apprenticeship program.

**Environmentally Sensitive:** Green roofs and interior landscaped courtyards were incorporated into the design to promote on-site water retention. The amount of green space is approximately 30% of the site compared with 0% today.

**Parking:** Ivy will provide a minimum of 144-parking spaces, which the public may use on an availability basis, vs approximately 55-parking spaces required by code.

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**Water System and Storm Drainage Upgrades:** this commitment will improve the town's water distribution system and relieve demand from existing catch basins to help reduce standing water conditions.

**Burying Electric wires/lines along Abendroth and Adee Street:** this commitment will provide a safer condition for the fire department and village in addition to improving the appearance of the neighborhood.

**Retail Access:** Retail access was maintained at sidewalk level along Main Street to maintain the existing character of the retail. In order to accommodate this, flood mitigation strategies were required to protect the retailers from storm events at extensive cost to Ivy.

**Building Design:** In conformance with requests from Port Chester Officials, the roofline along North Main Street was varied to reflect an appropriate scale relative to existing structures along Main Street. By accommodating this request, Ivy reduced the total size of the project by nearly 15,000 SF compared with what the Zoning Code permits.

**Retaining Community Service Organization:** Human Development Services of Westchester and Hope House, whose existing facility is inefficient and dilapidated, will receive a new, modern, furnished space that they will own – without any cost to their organization.

**Road and sidewalk improvements:** this commitment will improve pedestrian safety and the appearance of the neighborhood

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## **Tenant Displacement Policy and Actions**

**Intent:** Ivy's goal through this development is to enhance Port Chester through development, not to change the character of the Village. To that end, our great preference is to maintain the diversity and nature of the tenancy at the project post development. The below policy was developed in an effort to achieve this goal.

**Policy:** Ivy recognizes that any new development will necessarily displace existing tenants and has developed an approach to minimize disruptions to both residential and commercial tenants.

**Residential:** Ivy provided advanced notice to all tenants to allow significant time to find new housing. Ivy offered all tenants the use, at Ivy's sole cost, of a realtor (who happens to be a tenant of the Ivy buildings) to assist in their search for new housing.

**Commercial:** Ivy offered all tenants the ability to lease space post-development at their pre-development rent.

### Tenant Specific Updates:

***Ace Hardware*** has decided to close their business and will move out in March 2022. The decision to close was related to a variety of factors that impacted store performance.

***Coals*** has decided to close their business and has vacated. They intend to open another restaurant in Port Chester.

***Taco Shack*** has closed due to damage from Hurricane Ida (they did not have insurance, but Ivy provided financial assistance for their move).

***Elegant Jewelers*** will be temporarily relocating to an Ivy owned building on the other side of Main Street and then moving into the newly developed building when completed.

***El Palacio De Maria*** was displaced by another development in town. We allowed them to utilize the former Coals Pizza space on a short-term basis in an effort to help them continue to operate until they identify a permanent location.

***Leftovers*** will likely be closing due to Hurricane Ida damage.

***Bambu*** has closed due to Hurricane Ida damage. Ivy has offered financial assistance for a relocation and will continue to honor its offer to welcome them in the new development if they desire. Note that Bambu was displaced by another development in town, similar to El Palacio De Maria, and Ivy tried to accommodate them for a period of time that was cut short by Ida.

***Kevin's Nails*** moved into new space on Main Street.

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***Paleteria Fernandez*** found another location in Port Chester and will be moving shortly.

***Residents:*** Electricity could not be restored in a timely manner post Hurricane Ida. We provided relocation assistance through our tenant, Costa Property Management, along with a relocation payment.

### **Development Feasibility**

#### ***20-year PILOT Request:***

Ivy Forward submitted an application to obtain this PILOT because without it, the project is not financially viable. The IDA hired an independent, third party, to evaluate the need for the 20-year PILOT and confirmed that need.

Note that the Project also exceeded the objective scoring criteria developed by the IDA to judge the overall benefits any project provides to Port Chester.

#### ***Inflationary Environment:***

Since our application was made in the 3<sup>rd</sup> Quarter of 2021, construction costs have increased dramatically – we have received estimates from contractors that costs have increased 10%. We have re-submitted our financial projections to the IDA for further review, but since costs have increased, the need for the 20-year PILOT has only become more important.

#### ***Tropical Storm Ida:***

##### **Damage**

Significant damage was incurred during this storm. Flood waters fully inundated the basements of the buildings up into the first floor. The electrical systems in the buildings are located in the basements, damaging all beyond repair. The moisture also created a hazardous mold condition. This damage rendered the buildings unsafe for occupancy. As mentioned above, we have been working with all of the tenants, both residential and commercial, to find viable new space, and have accomplished this in nearly all cases.

##### **Lost Income**

Relocating our tenancy results in significant lost income in addition to the relocation allowances we provided to tenants. We continue to incur fixed costs while we have minimal income, adding additional cost to ownership beyond what had been expected.

##### **Repairs**

Putting the buildings back into service is not financially feasible. The nature and extent of the damage has rendered the buildings untenable. The extent of repairs needed to put the buildings back in service would require the buildings to comply with current building codes. The investment required to accomplish this is not feasible given the income potential of the site in its current configuration.

## Development Fact Sheet

Project Description: 203 units (21 affordable), 9,800 square feet of retail, 5,500 SF of community service space (HDSW) and 144 parking spaces

Project Height: Main Street: Varies from three to six stories  
Adee Street: Varies from one to six stories  
Abendroth Avenue: Six stories

Project Cost: Approx \$90 million

Current Taxes: \$250,000 (approximate)

PILOT Request: 20-Years

### IDA Objective Measures

Met: An independent financial analysis of the project deemed it only financially feasible with a 20-year PILOT  
An objective scoring rubric developed by the IDA that measures community benefits resulted in the project far exceeding the minimum requirement to receive a 20-year PILOT

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