

FOR CONSIDERATION

November 19, 2020

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Town of Hempstead (Nassau County) – Belmont Park Redevelopment Civic and Land Use Improvement Project

REQUEST FOR: Authorization to Adopt Modifications to the 2019 Modified General Project Plan; Determination that No Supplemental Environmental Impact Statement is Needed; Authorization to Hold a Public Hearing; and Authorization to Take Related Actions

I. Project Summary

Developer: New York Belmont Development Partners, LLC (“BDP” or “Developer”), an affiliate of New York Arena Partners (“NYAP”). NYAP and BDP are comprised of Scott Malkin Group, Sterling Equities and Oak View Group.

Project Site: 2150 Hempstead Turnpike, Elmont, NY 11003

Project Description: The Project is the construction, in the unincorporated hamlet of Elmont in the Town of Hempstead (“Town”) in Nassau County (“County”), of a major commercial and civic development in an approximately 43-acre area in the southwestern portion of the State-owned Belmont Park Racetrack. That area (the “Project Site”) is bisected by Hempstead Turnpike, and generally bounded by Belmont Park Racetrack to the north, Cross Island Parkway to the west, Belmont Park Racetrack, Huntley Road and Wellington Road to the east, and Cross Island Parkway Exit 26A exit ramp and Hathaway Avenue to the south. The Project Site consists of two development parcels: the approximately 15 acre “Site A”, north of Hempstead Turnpike, and the approximately 28 acre “Site B”, south of Hempstead Turnpike (collectively, the “Development Sites”).

The Project as described in the Modified General Project Plan affirmed on August 8, 2019 provides for the redevelopment of the Project Site with:

- (i) on Site A,
 - a. an up to 19,000 seat arena, of approximately 745,000 square feet (“sf”) with approximately 40 below-grade parking spaces, for entertainment, recreational, cultural and community uses, including as the home arena for the New York Islanders, a National Hockey League franchise (the “Arena Component”),
 - b. retail and office space including approximately 2.0 acres of landscaped plaza (collectively, the “Site A Retail/Office Component”), and
 - c. an up to 250-key hotel, structured parking spaces, dining and other amenities (the “Hotel Component”);

(ii) on Site B, destination retail uses with parking spaces, and approximately 3.75 acres of passive open space including an 8-foot-high landscaped berm along the eastern perimeter of Site B, that would serve to buffer the Site B development from the adjacent residential neighborhood (the foregoing, collectively, the “Retail Village Component”); and

(iii) one or more grade-separated connections for pedestrians and vehicles above or below Hempstead Turnpike, providing access between Sites A and B (the “Grade Separated Connections”). The Arena Component, the Site A Retail/Office Component, the Hotel Component, and the Retail Village Component are sometimes referred to collectively as the “Project Components” and individually as a “Project Component”.

The Project would also deliver the following additional community benefits: 10,000 square feet of community space and renovations to two nearby parks. In addition to the Project, a new full-service LIRR Elmont Station will be added to the LIRR Main Line adjacent to the North Lot that will provide regular direct train service to/from points east and west and regular train service to the local community.

General Project Plan:

The General Project Plan (“GPP”) was adopted by the ESD Directors on December 6, 2018. On August 8, 2019, the Directors modified and affirmed the GPP (the “2019 MGPP”).

Proposed Modifications:

It is proposed that the 2019 MGPP be modified as set forth in the draft modification (the “2020 Modification”) that accompanies these materials as Exhibit A. Except as provided in the 2020 Modification, no other provisions of the 2019 MGPP would be modified, and no other Project components are affected. The proposed modification is summarized below.

II. Project Background and Update

In July 2019, the ESD Directors accepted a Final Environmental Impact Statement (the “FEIS”) for the Project pursuant to the New York State Environmental Quality Review Act (“SEQRA”) and in August 2019 the Directors adopted SEQRA Findings and affirmed the 2019 MGPP.

On September 24, 2019, construction of the first phase of the Project, the Arena Component, commenced. Construction was briefly halted at the end of March 2020 due to the COVID-19 pandemic and resumed at the end of May 2020. At present, the Arena Component is roughly 50 percent complete. Construction of the Elmont LIRR Station has begun and is expected to be completed in November 2022. Construction of the Retail Village Component is expected to begin in the first quarter of 2022.

The Design Guidelines for the Project (the “Design Guidelines”) set forth general goals and specific requirements for Project design, such as building density, program and setbacks; access and visibility from surrounding streets and existing context; lighting; signage; parking; and open space.

III. Summary of Proposed Second Modification to the General Project Plan

1. Relocation of Proposed Parking on Site B from Beneath the Retail Village to a Freestanding Parking Structure. Replace the 1,500 parking spaces originally programmed beneath the retail buildings with a freestanding, 1,500-space garage (the “Site B Parking Component”). That parking structure would be located on the northeast portion of Site B, on the frontage of Hempstead Turnpike. The structure would provide parking on six levels and would have a roof height of no more than 60 feet. The garage would be constructed of materials similar to those of the Arena Component and would be of open deck construction with circulation towers at the northwest and northeast corners of the building, stairs and elevators in the northeast tower, and stairs in the northwest tower. Both the northwest and northeast towers would be capped with a “lantern” design element on the top floor that mirrors the architectural details of the arena. The southeast and the southwest corners of the structure, those closest to the residential neighborhood, would have neither a tower/lantern feature nor circulation. The proposed parking structure would serve both the Retail Village Component and the Arena Component, and such shared use is consistent with the 2019 MGPP.
2. Reallocation of 25,000 Square Feet of Retail from Site A to Site B. Reallocation to Site B, for use as destination retail, of 25,000 gross square feet (“gsf”) of commercial space originally approved in the 2019 MGPP for Site A. The Project would continue to include no more than 350,000 gsf of retail, dining and entertainment uses across Sites A and B. In the 2019 MGPP, this consists of up to approximately 35,000 gsf of experiential retail, dining, and entertainment uses on Site A, and up to approximately 315,000 gsf of destination retail uses on Site B. The modification

would result in 10,000 gsf of experiential retail, dining and entertainment uses on Site A, and 340,000 gsf of destination retail use on Site B.

3. Increase in Allowable Ground Leases. In addition to the four subleases contemplated in the 2019 MGPP, there would be two additional subleases permitted under the master lease agreement with the Developer: one for the Site B Parking Component and one for a potential commercial building on Site A (the “Site A Commercial Building Component”) — enabling each of these components to be separately financed. As is the case with the subleases authorized in the 2019 MGPP, upon substantial completion of construction of each sublease site, the sublease would be converted to a direct ground lease between ESD and the sublessee.
4. Substitution of a Landscaped Wall Rather Than a Landscaped Berm Along the Eastern Perimeter of Site B. Include a 10-foot concrete wall and extensive landscaping as the buffer on the eastern boundary of Site B rather than the berm described in the 2019 MGPP. The 2019 MGPP includes approximately 3.75 acres of landscaped passive open space on Site B, including an 8-foot-high landscaped berm along the eastern perimeter to buffer the Site B Retail Village Component from the adjacent residential neighborhood. The proposed modification would retain the same amount of Site B open space but would replace the berm with a 10-foot-high wall and a densely landscaped buffer on the wall’s residential side. The wall would be constructed of pre-cast concrete and landscaped with mature trees approximately 12 feet high at planting. The Developer would maintain the trees and landscaped buffer.
5. Inclusion of Hydrogen Fuel Cell Technology Option for Project Shuttle Transportation. The 2019 MGPP requires that the Developer provide electric shuttle transportation to the Project Site from the Long Island Rail Road’s Elmont Station and from Belmont Park Racetrack’s North, South and East Lots, to the extent that these lots are utilized by the Developer. The proposed modification would allow for such shuttle transportation to also or alternatively operate on zero-emission hydrogen fuel cell technology.

IV. Local Law and Regulation Overrides

Pursuant to the Town of Hempstead Building Zone Ordinance (“BZO”): (i) the Project Site is generally zoned residential (Residence B), (ii) Site B’s Hempstead Turnpike frontage is zoned Business X for a depth of 100 feet, and (iii) Site B is included within the Town’s Hempstead Turnpike – Elmont Overlay Zone (Gateway) (HT-E, G). The proposed modifications on Site B would not conform to local requirements, including zoning and land use requirements (e.g., uses, signage, mapping, lighting, storm water management, subdivision, fencing, etc.). Therefore, in order for ESD to effectuate the proposed modification to the Project, the proposed 2020 Modification would find and determine that compliance with the requirements of such local laws, ordinances, codes, charters or regulations is not feasible or practicable, and

ESD would override the local zoning, land use, planning, and construction-related requirements and restrictions, including, without limiting the foregoing, the BZO and the Hempstead Town Code to the extent that they are inconsistent with the proposed modifications. Such overrides would be in addition to, and not in replacement of, the overrides effectuated by the 2019 MGPP. Any previously affirmed overrides in the 2019 MGPP would be undisturbed by the 2020 Modification and would remain in full force and effect.

V. Discussion

The overall amount of retail space authorized in the 2019 MGPP (i.e., 350,000 gsf) would remain unchanged by the 2020 Modification; however, the proposed changes would reallocate 25,000 gsf of retail space from Site A to Site B. The proposed changes would not introduce new land uses that were not previously approved. Previously, the Project's proposed retail uses were located above the Site B Parking Component. In the proposed 2020 Modification, the Site B Parking Component would instead be a freestanding parking structure fronting on Hempstead Turnpike, which would reduce the height of the Retail Village Component.

In the 2019 MGPP, a public road circumnavigated Site B, and two designated drop-off and pick-up locations for taxis and rideshare vehicles were located on the south end and eastern side of Site B. A staging lot for rideshare vehicles was also located at the south end of Site B. The 2020 Modification proposes to move the public access road further west, eliminating the eastern drop-off and pick-up location. It would retain a designated drop-off and pick-up location for taxis and rideshare vehicles at the southwestern corner of Site B and a staging lot for rideshare vehicles at the south end of Site B. The relocation of the main internal access and service roadways, bus stop, and drop-off location for rideshare would limit vehicular activity on the easternmost side of Site B, which is closest to the adjacent Elmont residential neighborhood.

The substitution of the landscaped berm with a 10-foot-high wall and landscaped buffer along the eastern perimeter of Site B would not substantively alter the Project's land use, zoning, or community character effects, but would provide additional security and visual buffering between the adjacent neighborhood and the Retail Village Component.

The 2019 MGPP provides that shuttle transportation from the Elmont Station and the North, South and East Lots to the Project Site operate on electric technology. The proposed modification would allow such shuttle transportation to operate on hydrogen fuel cell technology that would not result in any air quality impacts, as the shuttle transportation would be in zero emission vehicles. Hydrogen fuel cell vehicles are powered by hydrogen and oxygen, and the only byproduct produced is water.

The estimated cost and financing described in the 2019 MGPP is not expected to be affected by the proposed modifications. The essential terms of the Project described in the 2019 MGPP would be altered in the 2020 Modification only to the extent that, in addition to the four subleases contemplated in the 2019 MGPP, two additional subleases would be permitted under the master lease agreement with the Developer: one for the Site B Parking Component and one

for the potential Site A Commercial Building Component. As is the case with the Project's other subleases, upon substantial completion of construction on each sublease site, the sublease would be converted to a direct ground lease between ESD and the sublessee.

The proposed 2020 Modification does not change the Project's program (including retail square footage and number of parking spaces) from that approved in the 2019 MGPP. The Project as modified by the proposed changes would continue to be subject to the land use and design controls of the 2019 MGPP (except as specifically modified by the 2020 Modification) and the New York State Fire Prevention and Building Code (the "State Building Code"), which would continue to serve in lieu of the local zoning and building code.

Except as specifically modified by the 2020 Modification, the 2019 MGPP would remain in full force and effect. Moreover, the proposed modifications would not disturb the Project findings made by ESD pursuant to Section 10 of the UDC Act in affirming the 2019 MGPP.

VI. Environmental Review

An Environmental Impact Statement ("EIS") was prepared for the Project pursuant to the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The ESD Directors accepted the Final EIS in July 2019 and adopted SEQRA Findings on August 8, 2019.

In order to adequately assess whether any new or substantially different significant adverse environmental impacts could result from the modifications proposed in these materials, ESD has prepared a Technical Memorandum (the "Tech Memo"). The Tech Memo concludes that the proposed modifications would not result in any significant adverse environmental impacts not previously identified in the Project's environmental review. Therefore, a Supplemental Environmental Impact Statement is not needed, and no further environmental review is needed in connection with these requested modifications to the 2019 MGPP.

VII. Requested Actions

The Directors are requested to adopt proposed modifications to the 2019 Modified General Project Plan; make a determination that no Supplemental Environmental Impact Statement is needed; authorize the Corporation to hold a public hearing on the proposed 2020 Modification; and authorize all actions related to the foregoing.

VIII. Staff Recommendations

Based on the foregoing, staff recommends approval of the requested actions.

Attachments

Resolutions

Exhibit A – Proposed Modifications to the 2019 MGPP

November 19, 2020

Town of Hempstead (Nassau County) – Belmont Park Redevelopment Civic and Land Use Improvement Project – Authorization to Adopt Modifications to the 2019 Modified General Project Plan; Determination that No Supplemental Environmental Impact Statement is Needed; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation relating to the Belmont Park Redevelopment Civic and Land Use Improvement Project (the “Project”), the Corporation does hereby adopt, for purposes of the public hearing required by the New York State Urban Development Corporation Act of 1968, as amended (the “UDC Act”), and as may be required by or appropriate to other applicable laws, the proposed modification to the 2019 Modified General Project Plan for the Project as set forth in the Materials (the “2020 Modification”), together with such other changes as the Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that after review of the Final Environmental Impact Statement prepared in July 2019, the Findings of the Corporation under the State Environmental Quality Review Act adopted on August 8, 2019, and the Technical Memorandum, referred to in the Materials, the Corporation finds that a Supplemental Environmental Impact Statement is not needed for the proposed 2020 Modification; and be it further

RESOLVED, that the proposed 2020 Modification shall not be final until and unless appropriate action is taken as provided in the UDC Act and until such time as all requirements of the UDC Act and other applicable laws in connection therewith have been satisfied; and be it further

RESOLVED, that the Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to hold public hearings, to provide requisite notice of such public hearings, and to execute and deliver any and all documents and to take any and all such actions as may be necessary or appropriate to effectuate the foregoing resolutions.

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