



Hempstead IDA approves incentives package for Hempstead Village project

October 05, 2021 - Long Island

Hempstead, NY Fred Parola, CEO of the Town of Hempstead Industrial Development Agency (IDA), said the agency has given preliminary approval to a package of economic development incentives that will assist a Charlotte, N.C. developer construct a market-rate apartment complex in Hempstead Village.

The IDA approved a preliminary inducement resolution for Main Street Hempstead Apartments LLC, on Aug. 26. The benefits package is subject to further IDA review and a final authorizing resolution. A public hearing on the project was held Sept. 13.

The project is spearheaded by 40-year local resident Rashid Walker, who first sought economic development incentives five years ago and now is working with Charlotte-based Grubb Fund Management to develop the site at 257 Main St., midway between the Hempstead and Country Life Press LIRR stations. The project marks Grubb's entry into the Long Island market.

The \$77.7 million project is a 156-unit market-rate apartment community with a mixture of studio, one-bedroom and two-bedroom apartments, 10% of which will be "attainable housing." The apartments are aimed at young single professionals and young families, the developer said, noting that without a PILOT, or payment in lieu of taxes agreement, taxes would add \$1,000 to the rent for each unit.

The project initially was proposed in 2016 by New York-based Wood Partners, which then employed Walker, who serves the Hempstead Village planning board. The project, which will replace a parking lot and church, under Grubb's ownership came before the IDA again in 2020 and the length of the proposed PILOT subsequently was negotiated to 25 years from 30 years.

Taxes on the site are currently \$123,012 annually. Annual PILOT payments will average \$640,761.

"Given the low vacancy rates for multifamily rental apartments and the overall dearth of rental units in the town and across Long Island, this project likely will help meet the pent-up rental housing demand, thus allowing the town to retain residents and attract new residents," Parola said.

The developer noted that there are waiting lists for market-rate apartments in Hempstead Village.

The IDA's assistance to rental housing is a legitimate IDA function according to ruling by the state

comptroller and the courts, because the projects promote employment opportunities and serves to combat economic deterioration in an area served by the IDA.

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