New Rochelle
Industrial Development Agency
City Hall, 515 North Avenue, New Rochelle, NY 10801
Phone (914) 654-2185 Fax (914) 632-3626

NOTICE OF CONTEMPLATED DEVIATION

February 19, 2025

VIA IN HAND or CERTIFIED MAIL /
RETURN RECEIPT REQUESTED

To: The Attached List of Affected Tax Jurisdictions

Re: New Rochelle Industrial Development Agency
277 NR Principal LLC / 277 North Avenue GP LLC Project
Notice of Contemplated Deviation

Ladies and Gentlemen:

The New Rochelle Industrial Development Agency previously appointed **277 NR PRINCIPAL LLC** (the "Assignor") as agent to undertake a certain project (the "Project") consisting of: (1) the Agency taking title, possession or control (by deed, lease, license or otherwise) of certain land commonly known as 277 North Avenue, City of New Rochelle, Westchester County, New York, being more fully identified as tax map number Section 1, Block 239 and Lots 29 and 33 (the "Land") and the existing improvements located thereon, consisting principally of an approximately 27,000 square-foot office building (Lot 33) and an approximately 3,000 square-foot commercial building (Lot 29) (collectively, the "Existing Improvements"); (2) the demolition of the Existing Improvements; (3) the construction of a Class A twenty-three (23) story mixed-use commercial/residential rental project containing approximately 488,000 gross square feet of space, consisting more fully of the following: (a) approximately 378,000 gross square feet of residential rental area of which approximately 326,000 square feet is net rentable space and including approximately 442 residential rental units, of which 10% will be offered as affordable rental units to those earning 80% of the average median income; (b) approximately 18,000 square feet of amenities; (c) approximately 13,000 square feet of mechanical, storage and back-of-house space; (d) approximately 13,000 square feet of commercial retail space; and (e) an approximately 66,000 square foot parking garage with valet staff (collectively, the "Improvements"); and (4) the acquisition and installation by the Assignor in and around the Land and the Improvements of items of equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and Improvements, collectively, the "Facility").

By resolution adopted by the Agency on July 25, 2018 (the "Authorizing Resolution"), the Agency authorized the undertaking of the Project, and the Assignor and the Agency thereafter entered into a certain (1) Agent and Financial Assistance and Project Agreement, dated as of August 1, 2018, (2) Lease Agreement, dated as of August 1, 2018 (the "Lease Agreement"), (3) Leaseback Agreement, dated as of August 1, 2018 (the "Leaseback Agreement"), (4) Payment In Lieu of Tax Agreement, dated as of August 1, 2018 (the "PILOT Agreement"), and (5) related documents (collectively, the "Agency Documents").

Pursuant to the Leaseback Agreement, and in connection with the proposed transfer of ownership of the Project to **277 NORTH AVENUE GP LLC**, or an entity formed or to be formed on behalf of the foregoing (the "Company"), the Assignor has requested the Agency's approval of the proposed assignment of the Agency Documents (collectively, the "Assignment") to the Company, who will be the owner/operator of the Facility.

The Company has requested the Agency re-commence the benefits under the PILOT Agreement in favor of the Company (the "Additional Financial Assistance").

On Wednesday, February 25, 2026, at 7:30 p.m., local time, at New Rochelle City Hall in the City Council Conference Room, 515 North Avenue, New Rochelle, New York 10801, the Agency will hold a public hearing with respect to the Financial Assistance, the Additional Financial Assistance and the location or nature of the Facility. Notice of the public hearing was given to you - as the chief executive officer of an affected tax jurisdiction within which the Facility is located - by the Agency in accordance with General Municipal Law Section 859-(a) under notice letter dated February 12, 2025 (the "Notice Letter"). Pursuant to the Notice Letter, the Agency informed you that the Agency intends to re-commence the benefits under the PILOT Agreement in favor of the Company with respect to the Facility. **We are hereby notifying you that the terms of the PILOT Agreement, as assumed by the Company, are proposed to contain a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy").** The Agency is contemplating a deviation from the Policy as follows:

The Project is located in the Downtown Overlay Zone and qualifies for the 20-year PILOT schedule as outlined in the Agency's Uniform Tax Exemption Policy (UTEP). The Company is requesting a slight deviation of the phase-in schedule during the 20-year PILOT term. While the proposed abatement will commence at 75%, rather than the 90% under the UTEP schedule, the proposed PILOT locks in a 65% abatement in years 3 – 11, a 55% abatement in year 12, a 45% abatement in year 13 followed by a 5% annual reduction in the abatement to reach full taxes after year 20. The proposed phase-in schedule is justified due to the high land acquisition cost, the inclusion of a 10% affordability requirement and material increases in construction costs and materials, factors that makes the development financially challenging. A copy of the proposed PILOT schedule is attached hereto as Schedule A.

Upon due consideration of the Company's Application, the various positive economic and social impacts of the Project, and the Project's general satisfaction of several considerations set forth within the Policy, the Agency desires to execute and deliver the PILOT Agreement and provide for a potential deviation from its Policy. Specifically, approval of the potential deviation is based upon one or more of the following factors with respect to the Project, all of which positively impact the health, the community, the environment and the economy of the City of New Rochelle, New York. The Project: (i) will include approximately 378,000 square feet of residential rental space, of which ten (10%) will be made available as affordable to households earnings at or less than 80% of the average median income; (ii) will create approximately 300 construction and construction-related jobs during the construction and development of the Project, and, upon three (3) years after the completion of the Project, approximately twenty-four (24) full-time equivalent jobs and approximately three (3) part-time equivalent jobs; and (iii) will result in a financially feasible Project that does not provide excess benefit to the Company.

We are providing this letter to you, pursuant to Section 874 of the General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the Facility is located to notify you of a proposed deviation from the Agency's Policy.

CITY OF NEW ROCHELLE
INDUSTRIAL DEVELOPMENT AGENCY

By: ______________________
Name: Adam Salgado
Title: Executive Director

List of Affected Taxing Jurisdictions
City of New Rochelle Industrial Development Agency
277 NR Principal LLC

County of Westchester

 # 9489 0090 0027 6674 8589 74
The Honorable Kenneth Jenkins
Westchester County Executive
148 Martine Avenue
White Plains, New York 10601

 # 9489 0090 0027 6674 8589 81
The Honorable Vedat Sashi, Chair
Westchester County Board of Legislators
148 Martine Avenue
800 Michaelian Office Building
White Plains, New York 10601

City of New Rochelle

 # 9489 0090 0027 6674 8548 46
The Honorable Yadira Ramos-Herbert
Mayor of the City of New Rochelle
515 North Avenue
New Rochelle, New York 10801

 # 9489 0090 0027 6674 8548 53
Wilfredo Melendez, P.E.
City Manager
515 North Avenue
New Rochelle, New York 10801

City School District of New Rochelle

 # 9489 0090 0027 6674 8548 60
William Iannuzzi, President
Board of Education
City School District of New Rochelle
515 North Avenue
New Rochelle, New York 10801

 # 9489 0090 0027 6674 8548 77
Dr. Corey W. Reynolds
Superintendent of Schools
City School District of New Rochelle
515 North Avenue
New Rochelle, New York 10801

 # 9489 0090 0027 6674 8548 84
Millie Bonilla, Clerk and Secretary to the Board of Education
City School District of New Rochelle
515 North Avenue
New Rochelle, New York 10801

PILOT Agreement Schedule

New Rochelle IDA Assessor PILOT Workbook
UTEP Application

Assessor Inputs

		Residential	Commercial	Total
Value per Unit [1]	A	$3,350	$4.75	
Total Units	B	442	13,000	
Assessment	C = A * B	$1,480,700	$61,800	$1,542,500

[1] To be provided by Assessor

Tax Summary

		IDA	Non-IDA	BID	Total
Assessment	A	1,542,500	1,542,500	1,542,500	
Millage	B	1.090226	0.062754	0.017633	1.170613
Full Taxes	C = A * B	$1,681,674	$96,798	$27,199	$1,805,671

ID = County, City, School District, & Library
Non-IDA = County Refuse & Sewer

Property Tax Payment Summary

Year	Current IDA Related Taxes	Assessment	Applicable IDA Tax Rate	Full IDA Taxes	Abatement [2]	Est. PILOT Payment [3]	Est. PILOT Benefit	Non-IDA Tax Rate	Est. Non PILOT Payments	BID (Yes=1; 0=No)	BID Payment	Residential Refuse Fee	Est. Total PILOT, Taxes, & Fees
			2% CAGR					2% CAGR				$313 / Unit	
	A	B	C	D = B * C	E	F = Max (1 - E * D or A)	G = F - D	H	I = B * H	J	K = B * J	L	M = F + I + K + L
1	$170,000	1,542,500	1.090226	$1,681,674	75%	$420,418	($1,261,255)	0.062754	$96,798	0.017633	$27,199	$138,346	$682,761
2	$170,000	1,542,500	1.112031	$1,715,307	75%	$428,827	($1,286,480)	0.064009	$98,734	0.017986	$27,743	$138,346	$693,650
3	$170,000	1,542,500	1.134271	$1,749,613	65%	$612,365	($1,137,249)	0.065289	$100,709	0.018345	$28,298	$138,346	$879,717
4	$170,000	1,542,500	1.156957	$1,784,606	65%	$624,612	($1,159,994)	0.066595	$102,723	0.018712	$28,864	$138,346	$894,544
5	$170,000	1,542,500	1.180096	$1,820,298	65%	$637,104	($1,183,193)	0.067927	$104,777	0.019087	$29,441	$138,346	$909,668
6	$170,000	1,542,500	1.203698	$1,856,704	65%	$649,846	($1,206,857)	0.069285	$106,873	0.019468	$30,030	$138,346	$925,095
7	$170,000	1,542,500	1.227772	$1,893,838	65%	$662,843	($1,230,994)	0.070671	$109,010	0.019858	$30,630	$138,346	$940,830
8	$170,000	1,542,500	1.252327	$1,931,714	65%	$676,100	($1,255,614)	0.072085	$111,191	0.020255	$31,243	$138,346	$956,880
9	$170,000	1,542,500	1.277374	$1,970,349	65%	$689,622	($1,280,727)	0.073526	$113,414	0.020660	$31,868	$138,346	$973,250
10	$170,000	1,542,500	1.302921	$2,009,756	65%	$703,414	($1,306,341)	0.074997	$115,683	0.021073	$32,505	$138,346	$989,948
11	$170,000	1,542,500	1.328979	$2,049,951	65%	$717,483	($1,332,468)	0.076497	$117,996	0.021495	$33,155	$138,346	$1,006,980
12	$170,000	1,542,500	1.355559	$2,090,950	55%	$940,927	($1,150,022)	0.078027	$120,356	0.021924	$33,818	$138,346	$1,233,448
13	$170,000	1,542,500	1.382670	$2,132,769	45%	$1,173,023	($959,746)	0.079587	$122,763	0.022363	$34,495	$138,346	$1,468,627
14	$170,000	1,542,500	1.410324	$2,175,424	35%	$1,414,026	($761,398)	0.081179	$125,219	0.022810	$35,185	$138,346	$1,712,775
15	$170,000	1,542,500	1.438530	$2,218,933	30%	$1,553,253	($665,680)	0.082803	$127,723	0.023266	$35,888	$138,346	$1,855,210
16	$170,000	1,542,500	1.467301	$2,263,311	25%	$1,697,484	($565,828)	0.084459	$130,277	0.023732	$36,606	$138,346	$2,002,713
17	$170,000	1,542,500	1.496647	$2,308,578	20%	$1,846,862	($461,716)	0.086148	$132,883	0.024206	$37,338	$138,346	$2,155,429
18	$170,000	1,542,500	1.526580	$2,354,749	15%	$2,001,537	($353,212)	0.087871	$135,541	0.024690	$38,085	$138,346	$2,313,508
19	$170,000	1,542,500	1.557111	$2,401,844	10%	$2,161,660	($240,184)	0.089628	$138,251	0.025184	$38,847	$138,346	$2,477,104
20	$170,000	1,542,500	1.588253	$2,449,881	5%	$2,327,387	($122,494)	0.091421	$141,016	0.025688	$39,624	$138,346	$2,646,373
Totals	$3,400,000			$40,860,247		$21,938,793	($18,921,454)		$2,351,938		$660,862	$2,766,920	$27,718,512

[2] Abatement cannot result in IDA related taxes less than current payment

[3] Estimate based on historical increase in tax rate; actual PILOT payment may vary based up actual tax rate over life of PILOT