

TOOLS FOR FINANCING INFRASTRUCTURE

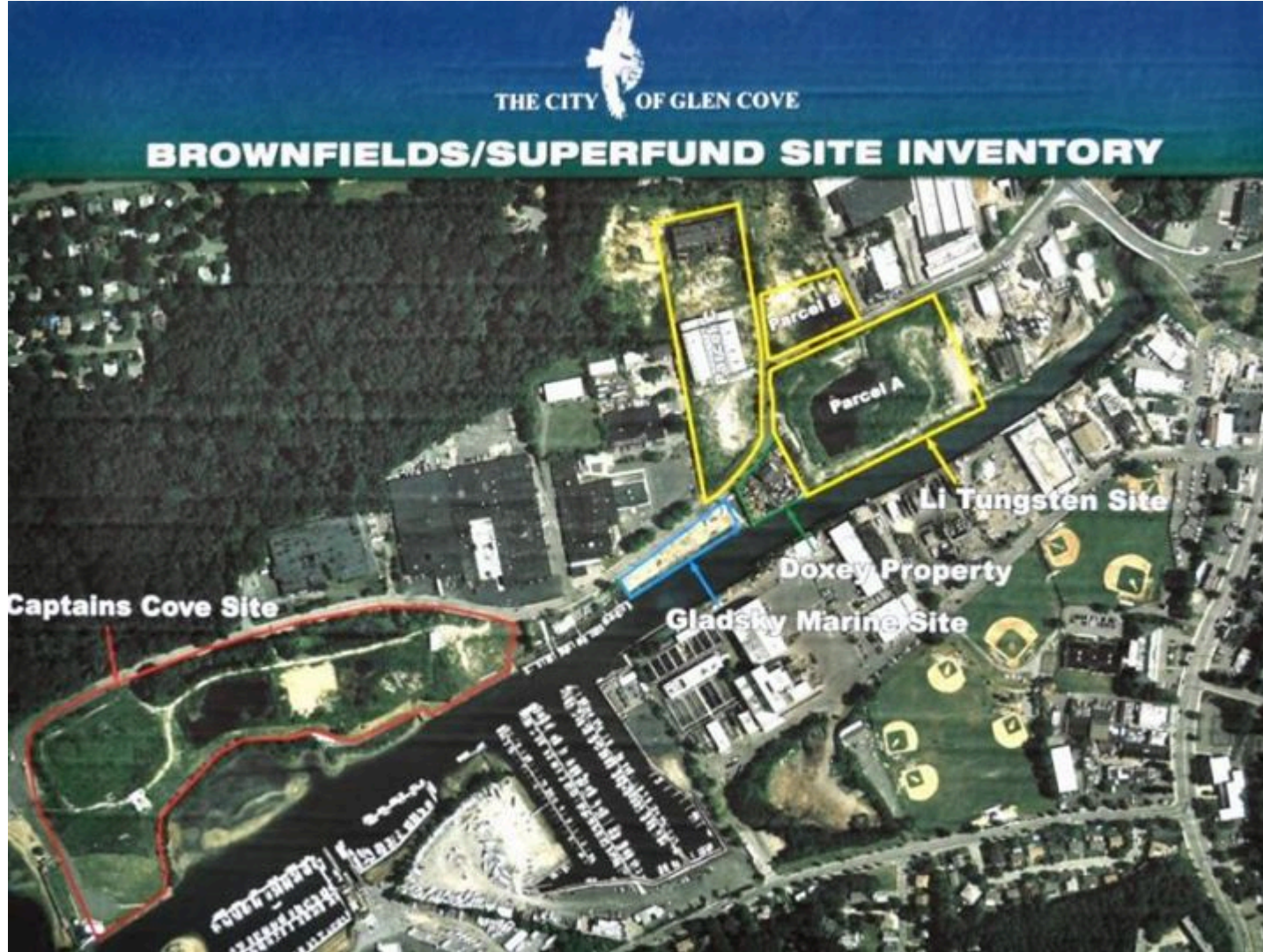
**PACE LAND USE LAW CENTER
DEC. 2019**

**Michael D. Zarin, Esq.
Zarin & Steinmetz
81 Main Street, Suite 415
White Plains, NY 10601
(914) 682-7800
mzarin@zarin-steinmetz.com**



**ZARIN &
STEINMETZ**

PUBLIC-PRIVATE PARTNERSHIPS



- Public-Private Partnership Projects often require some form of public investment
- Blighted land, no existing infrastructure
- Good public policy to incentivize redevelopment

GARVIES POINT WATERFRONT PROJECT (Glen Cove, New York)

- Mixed-use development on 56 acres on north side of Glen Cove Creek
- 1.7 million GSF of development
- 1,110 residential units, both condos and rentals, including 10% workforce
- Up to 75,000 commercial
- 29 acres public amenities and open spaces



LAND DEVELOPMENT AGREEMENT

(“LDA”)

- Assigned general responsibility for funding public amenities and infrastructure
- Parks, esplanade, boardwalk, marinas, stormwater, roads, utilities, and lighting, etc.



- LDA and SEQRA EISs/Findings recognized there would be financial assistance
- City and Redeveloper worked together to apportion costs and responsibilities



PILOT INCREMENT FINANCING (“PIF”)

- \$124,000M Infrastructure Bond (Esplanade, Stormwater, Roads, Parks)
- PIF v. TIF
 - TIF = Tax Increment Financing
 - NY Gen. Municipal Law
 - Captures incremental taxes
 - Question “Local Finance Law / Constitutionality”
- PIF = PILOT Increment Financing Unified Project Concept
 - Authorized “Project” (IDA Act § 854)
 - Entirety project, versus separate qualifying components
 - Entire project promotes economic opportunity
 - Public and private components implement success project

PILOT INCREMENTAL FINANCING STRUCTURE

- Bonds repaid through PILOT payments
- ATJ Consents
- Debt/Non-recourse to City
- Only repaid from “tax increment” generated by project
- ATJs receive an annual distribution
- Public Improvements must be constructed/maintained by public entity to maintain tax-exempt status



PIF AGREEMENTS



- Public Use Easement
- Public Use Improvements
Construction & Funding Agreement
- “Lease/Lease Back”
- Master Tax Agreement (essentially
the PILOT Agreement)
- Master Tax Agreement Mortgage
- School Supplemental Fee
Agreement

RESORT WORLDS & ADELAAR CATSKILLS

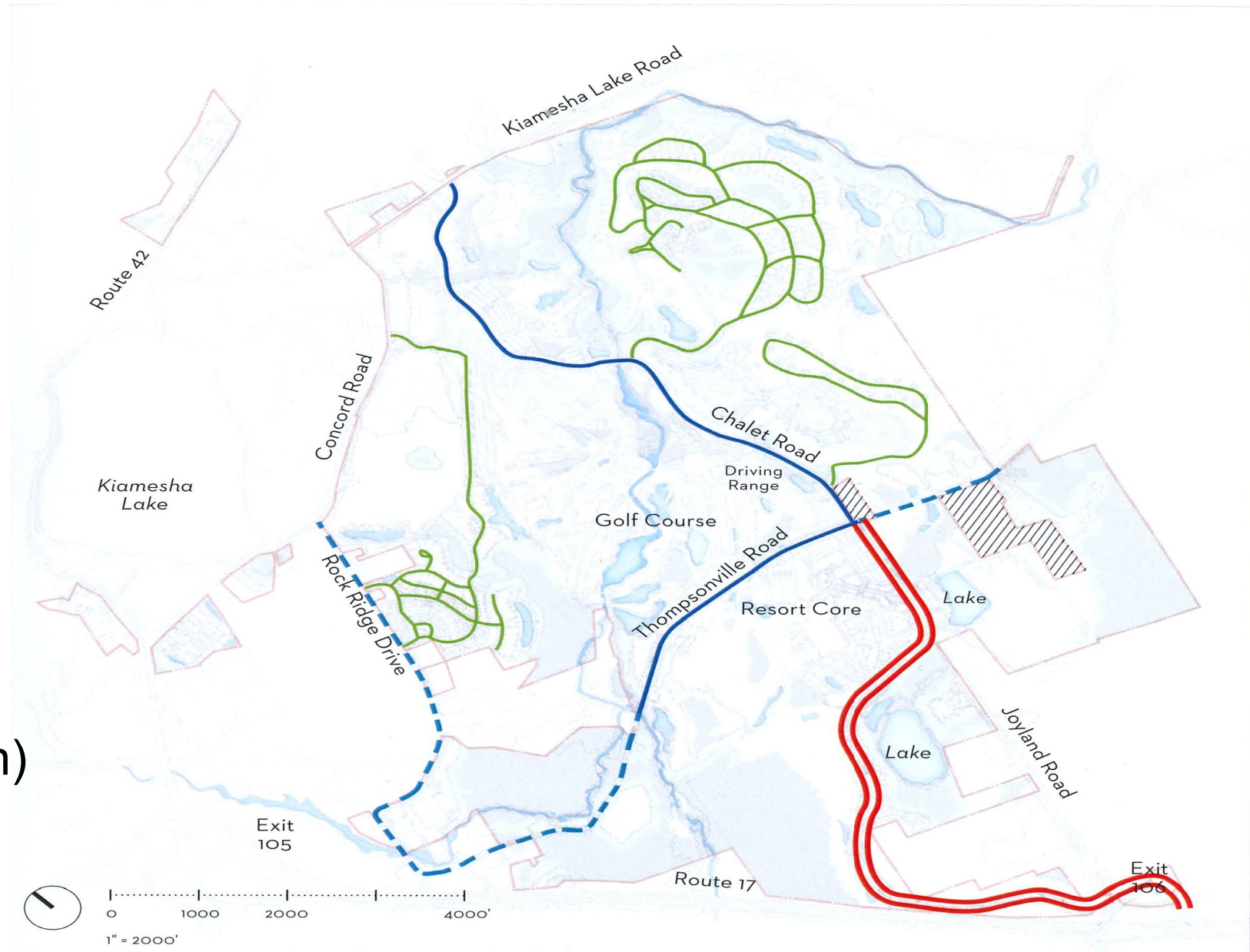
(Sullivan County, New York)

- Z&S represented Master Developer
- publicly traded REIT
- 1,700 acre site
- First Gaming Commission License
- Catskills Region
- Integrated Life Style Resort
- Casino, Waterpark, Entertainment Village & Golf Course, 3 hotels, retail & restaurants
- \$110mm Public Special Assessment Improvement Bonds used to finance costs of public utilities, roads, lighting and drainage



5 Improvement Districts (Art. 12 Town Law)

- Sewer (\$16.3M)
- Water (\$17M)
- Drainage (\$14M)
- Lighting (\$10.9M)
- Special Road Improvement District (\$28.9M) (2015 Legislation)



SPECIAL ASSESSMENT FINANCING STRUCTURE

