

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

NASSAU COUNTY LEGISLATURE

NORMA GONSALVES,
Presiding Officer

ECONOMIC & COMMUNITY DEVELOPMENT
& LABOR COMMITTEE

DENISE FORD, Chairwoman

1550 Franklin Avenue
Mineola, New York

Monday, September 9, 2013
4:37 P.M

ORIGINAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S :

DENISE FORD,
Chairwoman

RICHARD NICOLELLO,
Vice Chairman

HOWARD KOPEL

JOSEPH BELESI

CARRIE SOLAGES
Ranking

DELIA DERIGGI-WHITTON

JOSEPH SCANNELL

WILLIAM J. MULLER, III,
Clerk of the Legislature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

LIST OF SPEAKERS

ROB WALKER, Nassau County,
Deputy County Executive.....7

JOSH MEYER, ESQ.
Pannone Lopes Devereaux & West, L.L.C....12

JAMES LESTER, Senior Vice President,
Forest City Ratner.....21

SEAN E. SALLIE, Planner III,
Nassau County
Department of Public Works.....41

ZACHARY H. KLEIN, ESQ.
Pannone Lopes Devereaux & West, L.L.C....68

MAURICE CHALMERS, Nassau County
Office of Legislative Budget Review.....120

Economic/Community Development 9-9-13

2 CHAIRWOMAN FORD: Good afternoon.

3 At this time I'm going to call the Economic
4 and Community Development and Labor
5 Committee to order. I will ask the clerk to
6 please call the roll.

7 CLERK MULLER: Legislator
8 Scannell?

9 LEGISLATOR SCANNELL: Here.

10 CLERK MULLER: Legislator
11 DeRiggi-Whitton?

12 LEGISLATOR DERIGGI-WHITTON:
13 Here.

14 CLERK MULLER: Ranking Member
15 Solages?

16 LEGISLATOR SOLAGES: Here.

17 CLERK MULLER: Legislator Belesi?

18 LEGISLATOR BELESI: Present.

19 CLERK MULLER: Legislator Kopel?

20 LEGISLATOR KOPEL: Here.

21 CLERK MULLER: Vice Chairman
22 Richard Nicoletto?

23 LEGISLATOR NICOLELLO: Here.

24 CLERK MULLER: Chairwoman Ford?

25 LEGISLATOR FORD: Here.

Economic/Community Development 9-9-13

2 CLERK MULLER: We have a quorum.
3 CHAIRWOMAN FORD: Thank you.
4 At this time I will call Item
5 374-13, an ordinance making certain
6 determinations pursuant to the State
7 Environmental Quality Review Act and
8 authorizing the county executive of the
9 County of Nassau to execute a lease by and
10 between the County of Nassau, as landlord,
11 and Nassau Events Center, L.L.C., as tenant,
12 in connection with the leasing of certain
13 premises located in Uniondale, Town of
14 Hempstead, County of Nassau, State of
15 New York, said property known as Section 44,
16 Block F, Lots 403 and 351 on the land and
17 tax map of the County of Nassau and
18 authorizing the county executive to execute
19 a lease and all pertinent documents in
20 connection therewith to consummate the
21 lease.

22 May I have a motion?

23 LEGISLATOR NICOLLELO: So moved.

24 LEGISLATOR BELESI: Second.

25 CHAIRWOMAN FORD: Moved by

Economic/Community Development 9-9-13

2 Legislator Nicoletto, seconded by Legislator
3 Belesi. The item is before us.

4 I will now invite all of the
5 members of the legislature to the chamber
6 and ask for a motion to suspend the rules of
7 this committee to roll out each member of
8 the legislature to participate ex officio in
9 the presentation and subsequent
10 question-and-answer session.

11 Legislators sitting in at this
12 committee will be allowed to question those
13 presenting this item, however, only
14 legislators that are on the committee will
15 be authorized to make motions and vote.

16 Assuming the item passes, it will
17 then be heard again in the Finance and Rules
18 Committees, however, both the minority and
19 majority delegations have agreed that the
20 formal presentation of the item will be made
21 in this committee only, and the record
22 incorporated into the Rules and Finance
23 Committee.

24 May I have a motion to suspend
25 the rules?

Economic/Community Development 9-9-13

2 LEGISLATOR NICOLLELO: So moved.

3 LEGISLATOR BELESI: Second.

4 CHAIRWOMAN FORD: Moved by
5 Legislator Nicoletto, seconded by Legislator
6 Belesi. I will now open the floor. I see
7 the deputy county executive.

8 All those in favor of passing
9 this, please say aye.

10 (Aye.)

11 Any opposed?

12 (No verbal response.)

13 Thank you. The rules are
14 suspended. Good afternoon, Deputy County
15 Executive.

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 Thank you very much, Madam Chairwoman, and
18 both the majority and the minority for
19 allowing this presentation, they were
20 looking forward to presenting it three
21 times, so I guess you guys are getting off a
22 little easy.

23 This is a great day in Nassau
24 County moving forward on something that's
25 been a long time coming, a lot of effort

Economic/Community Development 9-9-13

2 that has gone into the development of the
3 Nassau Veterans Memorial Coliseum and the
4 surrounding property, and we believe the
5 administration, we have a great proposal to
6 move forward and continue working with the
7 community on such a great plan that's going
8 to provide a lot of opportunities to our
9 residents, both young and old people, male
10 and female, people of all walks of life to
11 be able to enjoy a great asset, especially
12 with what we have sought, what the committee
13 have selected in NEC, and what they have
14 done at the Barclays Center to translate
15 right here in Nassau County will be a great
16 day.

17 We are going to walk through the
18 presentation. We know every one of the
19 members have had opportunities, some,
20 unfortunately, if they were away, were not
21 able to meet with Mr. Ratner and to go over
22 the proposal directly, but he will make that
23 available as well if you do have time before
24 the next coming weeks.

25 You could not find a more

Economic/Community Development 9-9-13

2 interested person in working with the county
3 government than we have with Mr. Ratner and
4 his team, and you are going to hear from Mr.
5 Jim Lester about the great and exciting
6 things that they do.

7 But, again, I think it's most
8 important to have somebody that wants to
9 work with you, someone that listens to your
10 concerns, understands what it is in
11 community, and, again, to have such an
12 outstanding event as the MTV Music Awards
13 right here in New York City, and they had it
14 in Brooklyn, who would have thought that
15 that would have ever transpired?

16 These are the people that we have
17 selected to help inspire and put a lot of
18 great memories in so many Nassau County
19 residents. More importantly, is to insure
20 that there is not one Nassau County dollar
21 being spent, all 100 percent privately
22 financed, a win-win in terms of revenue
23 sharing for Nassau County residents, and,
24 again, like I said, the most important
25 thing, I think everyone in this room, with

Economic/Community Development 9-9-13

2 you or your families, have memories of going
3 to Nassau Veterans Memorial Coliseum for all
4 hosts of different events and now we are
5 able to make sure that that is going to
6 continue for all.

7 So, on that note, I'm going to
8 turn it over to Josh Meyer from Pannone,
9 Lopes, Devereaux & West. They negotiated
10 this contract and I'm sure everyone knows
11 or, if you don't, this was done very
12 differently.

13 In normal RFP submittals, the RFP
14 committee makes a recommendation, and then
15 the county goes about and negotiates a
16 contract. In this case, where we wanted to
17 present the best opportunity for Nassau
18 County, both financially and, also, again,
19 with the events and planning, we negotiated
20 two contracts at the very same time pitting
21 two outstanding giants against each other,
22 and with MSG and Forest City Ratner, in this
23 case NEC, and we were able to get two
24 outstanding proposals.

25 One was chosen by the committee,

Economic/Community Development 9-9-13

2 and you will see why in a very short order.
3 But to have a negotiated contract signed and
4 executed made it much easier than
5 negotiating really against your own best
6 interests.

7 Again, this was done very
8 differently, for that reason and it enabled
9 us in a very short time period, they
10 negotiated weeks and weeks, hours upon
11 hours, days upon days, and they did an
12 outstanding job. I would like to
13 acknowledge also who is with us in the room,
14 Dan Grippo and Kevin Walsh from the county
15 attorney's office. There's probably no
16 attorneys that have a greater knowledge of
17 the Coliseum and future plans and proposals
18 than both of them. They worked on this for
19 a long time and were fortunate to have them
20 along with Mr. Meyer, which we will go
21 through a lot of the lease terms.

22 Then we will turn it over to Jim
23 Lester from NEC to go over some programing
24 and things of that nature, and then we will
25 take all the questions that you may have.

Economic/Community Development 9-9-13

2 We know there's going to be
3 another meeting of the legislature for
4 additional questions so, if we do not have
5 all the answers, although I hope in most
6 cases, I'm sure we will, we want to make
7 sure the answers you get are accurate and
8 just not to tell you something for the sake
9 of telling you. So if we don't have them,
10 we will get those answers to you before the
11 legislature convenes again.

12 But we thank everybody.
13 Obviously this is great great interest and
14 it's an exciting time for Nassau County.

15 So, on that note, I will turn it
16 over to Josh.

17 MR. MEYER: Good afternoon. As
18 the Deputy County Executive indicated, my
19 name is Josh Meyer from the law firm of
20 Pannone Lopes Devereaux & West.

21 I appreciate the opportunity to
22 be here today to just go over the terms of
23 the proposed lease between the county and
24 the Nassau Events Center.

25 So what I wanted to do just to

Economic/Community Development 9-9-13

2 start off is just go over an overview of the
3 lease and hit the highlights, and then we
4 will get into more of the details of the
5 actual lease.

6 So, under this lease, and the
7 project would be 100 percent privately
8 financed, there being a minimum investment
9 of \$229 million by NEC; there will be a
10 minimum annual rent payment to the county of
11 \$4.4 million in the first year following
12 construction. There will be an approval
13 period and construction period rent paid to
14 the county which we will get into a little
15 bit during the approval period of the
16 \$50,000 per month, and during the
17 construction period will be \$100,000 per
18 month.

19 The current lease with the
20 New York Islanders terminates on July 1st,
21 2015. So on August 1st, 2015, the tenant,
22 NEC, will assume all the costs and expenses
23 associated with the facility. The county
24 will shed all of those expenses and NEC will
25 step in and take full responsibility for all

Economic/Community Development 9-9-13

2 capital expenditures, repairs, operation,
3 maintenance, insurance, anything having to
4 do with the facility itself.

5 Finally, the county retains
6 control of future development of the
7 remainder of the site, which we know is
8 important to the county and the lease
9 provides for that.

10 Just to give you a brief history
11 of the procurement process, the request for
12 proposals was issued on March 12th, 2013.
13 The responses were received on April 15th
14 from four proposers. The best and final
15 offers were received at the end of June
16 2013.

17 We subsequently entered into
18 simultaneous negotiations as the deputy
19 county exec said with MSG and NEC, and
20 Nassau Events Center L.L.C. was selected in
21 mid August.

22 The term of the lease is 34 years
23 with three five year renewal options with
24 the renewal options being at the sole option
25 of NEC for a total potential term of 49

Economic/Community Development 9-9-13

2 years.

3 The rent under this lease will be
4 based on percentage share of gross revenues
5 received by the tenant. Any and all
6 revenues received by the tenant, the county
7 will obtain a share of, including rent,
8 ticket revenues, concessions, suites,
9 sponsorships, and naming rights, among
10 others.

11 The annual rent will be equal to
12 the greater of the sum of eight percent of
13 all gross revenues received by the tenant
14 and 12.75 percent of the parking revenues or
15 \$4 million.

16 So, as you can see here, what we
17 laid out is the Coliseum rent schedule over
18 the term of the lease, and this is just of
19 the Coliseum itself, \$4 million in year one
20 through five. That annual rent escalates by
21 ten percent every five years and you can see
22 in the final years of 46 to 49, it's over \$9
23 million which results in over \$300 million
24 in direct revenue to the county over the 49
25 year term. That was the Coliseum rent.

Economic/Community Development 9-9-13

2 For the plaza rent, it's equal to
3 the greater of eight percent of all gross
4 revenues received by the tenant or \$400,000
5 per year and that, again, escalates by ten
6 percent every five years and we laid out the
7 schedule there as well. As you can see, if
8 the renewal options are exercised in the
9 final year, it's close to a million dollars
10 per year in rent just on the Coliseum Plaza
11 improvements.

12 So it's interesting about NEC's
13 proposal is that, as I said, on July 31st,
14 2015, the Islanders and SMG's leases expire,
15 so on August 1, 2015, NEC will come in take
16 over the facility and, in addition to the
17 county shedding all of those expenses, NEC
18 will pay the greater of -- let me start off
19 by saying that NEC fully intends and it's
20 their goal to have to start construction on
21 August 1, 2015.

22 In the event that they don't have
23 those approvals, they begin paying \$50,000
24 per month on day one, on August 1, 2015, or
25 five percent of the Coliseum revenues that

Economic/Community Development 9-9-13

2 they received from operating the facility if
3 they choose to.

4 Once the construction period
5 begins, NEC will pay \$100,000 per month, 90
6 percent for the Coliseum, and \$10,000 per
7 month for the Coliseum Plaza improvements.

8 As I indicated, on August 1,
9 2015, when NEC takes over, they have full
10 responsibility for all of the items on this
11 slide; for capital expenditures, operation
12 and maintenance and utility. They take over
13 all the costs and responsibilities for each
14 of those.

15 The county has no responsibility
16 for any capital expenditures which have been
17 significant in the past for any of the
18 expenditures, operation and maintenance.
19 The county has expended significant sums
20 under the current lease, and the county will
21 shed all of those expenses.

22 Under the operation and
23 maintenance, NEC assumes responsibility for
24 the condition, operation, maintenance,
25 repair, insurance and management of the

Economic/Community Development 9-9-13

2 Coliseum. And NEC will take over
3 responsibility and its sole cost and expense
4 for all utilities on August 1st, 2015.

5 As was requested in the request
6 for proposals for professional sports at the
7 facility, NEC has provided in the lease for
8 the Islanders to play at least four regular
9 season games, two preseason games, two open
10 practices and four training camp days at the
11 Coliseum for ten years.

12 They will enter into a lease with
13 an AHL team and permit to play their home
14 games at the Coliseum for the first 15 years
15 of the lease. There will be at least one
16 preseason Brooklyn Nets game at the Coliseum
17 for ten years, and they will host one year
18 of Yankees coaches clinic annually for ten
19 years.

20 For future site development, the
21 county retains all development rights and
22 can develop any of the remaining acreage in
23 conjunction with NEC on mutually agreeable
24 terms and conditions, and, if no deal is
25 reached after three months of the

Economic/Community Development 9-9-13

2 exclusivity period with NEC, the county has
3 the right to develop any of that acreage.

4 With regard to union labor, NEC
5 has committed to building the Coliseum and
6 the plaza improvements and operating the
7 Coliseum all with union labor.

8 The tenant under this lease will
9 request IDA benefits for this project. They
10 have requested and will request the standard
11 benefits for sales and use tax exemption on
12 the construction materials and the
13 furniture, fixtures and equipment, as well
14 as the mortgage recording tax exemption.

15 They will request to maintain the
16 100 percent real estate tax exemption on the
17 Coliseum, currently, the property and the
18 Coliseum, no real estate taxes, and they
19 have requested that that tax exemption
20 continue throughout the term of their lease.

21 And, since there will be vertical
22 construction on the Coliseum Plaza
23 improvements in the form of the restaurants
24 and entertainment amenities, NEC will be
25 requesting a phased in flexible pilot for

Economic/Community Development 9-9-13

2 those improvements consistent with the IDA
3 policies and benefits for similar IDA
4 projects.

5 For the environmental risks on
6 the site, NEC will pay the cost and expenses
7 associated with the removal and remediation
8 of asbestos to the extent they disturb it
9 during construction. The county is as aware
10 that there is asbestos at the facility and
11 to the extent that they disturb any of the
12 areas where the asbestos is located, they
13 will pay all the costs and expenses
14 associated with that removal and
15 remediation.

16 When NEC is constructing the
17 Coliseum Plaza improvements surrounding the
18 Coliseum, they will be required to remove
19 and remediate any hazardous materials they
20 find in connection with that construction.

21 In the RFP, the county has
22 requested the right to use the Coliseum for
23 Nassau County events for up to ten days per
24 calendar year which is currently
25 incorporated into the lease and they will

Economic/Community Development 9-9-13

2 only be charged NEC's actual out of pocket
3 costs and expenses.

4 Under this lease, there will be a
5 veteran's memorial constructed on site. It
6 will be completed at or prior to the
7 completion of the construction for the
8 Coliseum renovation as well as the Coliseum
9 Plaza improvements at a cost of not less
10 than \$1 million.

11 That's it for our presentation.
12 I think at this time we will turn it over to
13 Jim Lester from NEC from Forest City Ratner
14 to discuss his aspect of the presentation.

15 MR. LESTER: Hi. Thanks for
16 having us here today. My name is Jim Lester
17 from Forest City. I'm a senior vice
18 president of development with Forest City.
19 I'm joined here with a few colleagues,
20 Rebecca Deloya and Ashley Cotton, both from
21 Forest City, Raphaela Patrisic from the
22 Blumenfeld Development Group and Rick Leland
23 from Fried Frank, they are our land use
24 attorneys.

25 I'm just going to give you an

Economic/Community Development 9-9-13

2 overview of the project. We are extremely
3 excited to be here today and about the
4 wonderful opportunity the county has given
5 to us to redevelop the Coliseum and build a
6 complimentary retail and entertainment
7 around the Coliseum.

8 As we think about our vision for
9 the Coliseum, it began with assembling what
10 we believe is one of the best teams of
11 sports and entertainment. So I'm going to
12 talk to you a bit about our team and then
13 talk to you about what we think is necessary
14 to make the Coliseum itself successful, the
15 retail and entertainment development, and
16 then a bit about the economic benefits to
17 the county.

18 We wanted to bring the best of
19 Nassau County and it begins with our team.
20 So it begins with a group that developed the
21 Barclays Center in Brooklyn, Forest City, my
22 company and Annexum (phonetic) Sports and
23 Entertainment. The Barclays Center is
24 currently the number one venue in the
25 country in terms of ticket sales and gross

Economic/Community Development 9-9-13

2 revenues.

3 It was designed on the exterior
4 and interior by shop architects and we've
5 brought them here to redevelop and redesign
6 the outside of the Coliseum and do the
7 design for the master plan for the retail.
8 I will talk more about that in a bit, but
9 the architecture is a key component.

10 Additionally, we brought together
11 Rock Nation and Live Nation. Live Nation is
12 one the largest concert promoters in the
13 country. They do over a thousand events in
14 the New York Metro area. Rock Nation is
15 started by Jay-Z and a menagerie of artists
16 from Rhianna to Shakira, they're a full
17 service entertainment company.

18 In addition, we are working with
19 Legends, which is a joint venture between
20 the Dallas Cowboys, the New York Yankees,
21 and an investment fund started by Dave
22 Checkets who is the former CEO of Madison
23 Square Garden. They are going to be doing
24 the food and beverage in the building and
25 also will be a partner in it.

Economic/Community Development 9-9-13

2 As well, Guggenheim Partners,
3 they are a financial services company with
4 over \$180 billion in assets, and, finally,
5 last but not least the Blumenfeld
6 Development Group which is a local developer
7 here on Long Island.

8 The three components, we'll first
9 start out with the Coliseum itself. There
10 are really three components to the way we
11 see the Coliseum. The first is
12 architecture. The second is the programing,
13 and the third is the fan experience. All of
14 them need to come together in our eyes to
15 redefine and redevelop the Coliseum.

16 It's not enough in our opinion to
17 just redevelop the inside. We need to start
18 with the outside as well. So here we have
19 had shop redefining and rebuilding the
20 exterior of the building. 30 million cars
21 pass y the site each year and we want them
22 all to have a better view.

23 In particular, when they drive up
24 to the Coliseum, it's important that the
25 fans and the artists and everyone who comes,

Economic/Community Development 9-9-13

2 see that something new has been done here;
3 both on the outside and then coming in to
4 the inside.

5 To that end, it's important that
6 we close during construction. So there's
7 been some discussion, "Can you build it
8 while it's operating?" We think in order to
9 redefine the imagine and the perception, it
10 needs to be closed down and rebuilt and
11 reopened in a grand way.

12 Just moving to the inside, we're
13 having a different architecture firm but
14 also equally as impressive design the
15 interior. They are a national firm with
16 over 3,500 employees. They have come up
17 with a really great design which is
18 reflective of the exterior on the interior.
19 So modern finishes. A lot of new lighting
20 elements, contrasting colors. You can see
21 some elements of the facade in the flooring
22 details.

23 This is an imagine of the box
24 office with new windows, dynamic displays,
25 transparency, et cetera, again, blacks and

Economic/Community Development 9-9-13

2 whites, colors.

3 So here's an imagine of the club
4 which is in the current location of the
5 Islanders team store, again, modern
6 finishes, new lighting, obviously updated
7 furniture, et cetera, and new food and
8 beverage offerings, by Legends, and then by
9 our own Brooklyn Events Center. I will talk
10 to you a little bit about those food and
11 beverage offerings that we'll provide as
12 well.

13 Here is an imagine of the
14 concourse, again, contrasting colors. We
15 want to clean up some of the clutter on the
16 inside, develop a new pallet for
17 sponsorships. Sponsorships are important to
18 our economic model. So it's good to have a
19 clean backdrop for sponsorships. You can
20 see some lighting in the existing ceiling
21 alcoves there to redefine the concourse.

22 On the inside of the bowl over
23 the years a number of seats have been added
24 to clutter up the bowl. We want to remove
25 those seats and restore the inner

Economic/Community Development 9-9-13

2 circulation ring. The capacity of the
3 building, they'll be 13,000 fixed seats with
4 a floor, we'll be able to go up to events
5 having 14,500 seats, which is smaller than
6 the current Coliseum. We think that takes
7 off some of the pressure on the rest rooms,
8 concessions, et cetera.

9 In addition, we'll be able to do
10 smaller events with theater configuration,
11 curtaining configuration all the way down to
12 about 4,000. As part of the development, we
13 are building a Fillmore theater on the
14 outside so we can do even smaller events of
15 about 2,000 in a separate facility on the
16 outside.

17 Obviously we need to update some
18 of the systems to improve the efficiency.
19 We want to upgrade the back of house areas
20 for entertainers. It's important that when
21 entertainers, large entertainers come, world
22 class entertainers, that they have a first
23 class experience as well. So their dressing
24 rooms need to be updated, the whole sort of
25 back house experience for artists needs to

Economic/Community Development 9-9-13

2 be improved.

3 Then we are going to build a
4 memorial to honor the Nassau County veterans
5 commissioned from an artist or architect,
6 possibly do a design competition. We have
7 reached out to the United Veterans
8 Organization to begin the dialogue with
9 them.

10 The second component of the
11 Coliseum itself is the programing. This is
12 essential in making it successful. It's
13 what brings people there, keeps them coming
14 back. We have targeted 300 events for the
15 Coliseum and we have secured over 200 events
16 already. From concerts to six Islanders
17 games, to Nets preseason games, we're going
18 to have a minor league hockey team, family
19 shows, and then events like the Big Apple
20 Circus and Cirque de Soleil in the parking
21 lot.

22 Through the Barclays Center we
23 work with some of the top promoters, really,
24 all the top promoters in the country to
25 bring the best events to Brooklyn and we

Economic/Community Development 9-9-13

2 want to do the same in Nassau.

3 We also developed two programming
4 platforms, Brooklyn Boxing and Brooklyn
5 Basketball, college basketball platforms
6 which we also want to bring out to the
7 Coliseum here. We did that from the ground
8 up and we later will also talk about that.
9 But they really put Brooklyn on the map and
10 we've gotten commitments from both
11 organizations in the NCAA to play games and
12 do events out here as well.

13 Then, once people come here, both
14 for the architecture and for the programming,
15 we want them to have a great experience and
16 keep coming back. So that happens in a
17 couple of ways. That happens through having
18 staff and employees that are informed and
19 trained, so we want everyone to go through
20 Disney training to greet every patron with a
21 smile and direct them as they need.

22 Then we want them to have a great
23 experience of culinary food and beverage
24 experience that is also as good as any place
25 in the country. At the Barclays Center we

Economic/Community Development 9-9-13

2 were able to bring in a lot of local food
3 and beverage providers into the Coliseum and
4 we seek to do the same thing here. With our
5 partner, Legends, who has recently been
6 awarded a number of venues, we think we can
7 really redefine the culinary experience.

8 On the outside of the building we
9 want to make it a retail and entertainment
10 destination. So we are proposing about
11 150,000 square feet of retail development
12 with a Fillmore theater. Currently it's
13 designed around an open plaza so it's
14 primarily dining. 60,000 square feet of
15 dining including a food bizarre, 25,000
16 square feet of bowling, 60,000 square foot
17 movie theatre which is 10 to 12 screens,
18 there is the Fillmore theatre that I
19 mentioned which is about 2,800, and the new
20 performance lawn, and that's really just
21 meant to be an amenity for people who are
22 coming to the event and you can do digital
23 opera, things, like that. It also helps
24 with traffic for people coming early and
25 leaving later.

Economic/Community Development 9-9-13

2 You can see here how it's laid
3 out. This is north here. You have the
4 movie theater, the bowling, the Fillmore,
5 some restaurants, and then restaurants along
6 the back side here. Again, we're just --
7 we're not building on any of the area that's
8 parking, so it's just on the Coliseum Plaza.

9 Forest City and Blumenfeld both
10 have a lot of experience in this type of
11 entertainment type of retail. So, in
12 Westchester, you can see how we combined
13 architecture with a number of tenants
14 including dining tenants. On 42nd Street we
15 did a Madam Tussauds and a movie theatre
16 that's AMC's highest grossing theatre in its
17 chain. Obviously the Blumenfeld's Tanger
18 Outlets. So we have a lot of experience and
19 we think that we can really do something
20 great with the outside here on the plaza.

21 Finally I will just touch on some
22 of our calculations of the benefits to the
23 county. Obviously the county has done their
24 own calculations but I think one of the
25 things that was appealing obviously was no

Economic/Community Development 9-9-13

2 county cash outlay. We have absorbed the
3 operation and maintenance responsibilities.
4 Also the cap X responsibilities, and it
5 generates \$9.6 billion over 30 years in the
6 county alone, and \$11 billion in the state,
7 and \$500 million in rent and sales taxes
8 over 30 years.

9 On an ongoing basis, it creates
10 2,700 jobs in the county. Ultimate, we
11 really do feel it's a win win, and we are
12 tremendously excited. So we think it's
13 really going to be great.

14 CHAIRWOMAN FORD: Thank you very
15 much for your presentation and the time
16 today to speak with us about this. I have
17 to say that I've had the opportunity. I
18 worked down in the area right by the
19 Barclays Center. I had worked in the area
20 in the 70s and in the 80s and actually in
21 the 90s, so to see, and I just recently was
22 on Flatbush Avenue and to see the Barclays
23 Center and to see the transformation of that
24 area of Brooklyn as a result, I believe for
25 the development, and for the Barclays Center

Economic/Community Development 9-9-13

2 that you built, it's really remarkable. It
3 really is beautiful. The streets look even
4 better. I noticed a lot of changes in some
5 of the stores and a lot of the food
6 establishments that are there. So it's a
7 big change from the 70s to today.

8 I thank you very much and I think
9 you brought a lot of energy and excitement
10 into that area of Brooklyn.

11 I just have a few questions and
12 then I'm sure everybody here has a lot to
13 say and a lot of questions to ask.

14 First my question, and I know you
15 said you are going to take over the cost of
16 the building and the future costs of
17 basically the utilities and so forth for the
18 Coliseum, but Deputy County Executive Rob
19 Walker, how much does the Coliseum cost the
20 county now?

21 DEPUTY COUNTY EXECUTIVE WALKER:
22 Too much. It changes yearly now,
23 unfortunately now, because of the age of the
24 Coliseum. Just within the last two years,
25 the capital improvements, it's a negative.

Economic/Community Development 9-9-13

2 We lose money each year because of the
3 capital. We are required to replace several
4 of the seats. If anyone has been there
5 recently you see new seats along the lower
6 level of the bowl. That cost over \$2
7 million just the seats we are currently
8 replacing. And to continue having the
9 Islander games played there, we are required
10 to meet NHL standards in the ice, so we have
11 DPW personnel working pretty much daily at
12 the site replacing, fixing, to make sure all
13 of the systems can actually make ice.
14 Again, it's very difficult.

15 So last year alone probably
16 upwards of up to two to \$4 million in costs
17 just with the minimal repairs. Obviously we
18 don't want to waste the county's money. So
19 we've been managing knowing we're trying to
20 go forward in conjunction with working with
21 NEC and the current SMG and the Islanders to
22 spend the money that we "need" to spend and
23 not that they just want to have some glitz
24 and glamour for the next show that's taking
25 place.

Economic/Community Development 9-9-13

2 So we're continuing to monitor
3 that, but right now we're in a losing
4 proposition in the facility or just breaking
5 even. It's been very difficult. As you
6 continue to go on, less and less people
7 obviously want to participate in events. We
8 roughly average about 800,000 attendees to
9 the Coliseum on a given year, 880,000.
10 We're just looking in the neighborhood of
11 over a million, from 100 something events to
12 200 events that are already planned, so
13 we're really creating some good optimism for
14 going there, but, right now, we're in a
15 losing proposition of what it costs.

16 CHAIRWOMAN FORD: We were
17 critical, I guess, of the revenue that we do
18 get from the concessions currently at the
19 Coliseum with SMG. What is the difference
20 from what we are getting now as to what we
21 will be getting with this?

22 DEPUTY COUNTY EXECUTIVE WALKER:
23 It's significant because now we will share
24 pretty much in everything that's going on.
25 The minimum rent obviously was first placed,

Economic/Community Development 9-9-13

2 the minimum rent as Josh mentioned, the
3 starting point the first year, \$4 million,
4 the minimum rent based, and then it could go
5 up based on the eight percent, whatever is
6 higher, the eight percent of all the naming
7 rights, sponsorships, concessions, anything
8 that's sold plus a 12.75 percent in the
9 parking. It's significant. The parking
10 remains the same that we currently have, but
11 now we are sharing. The upside for us is
12 drastic because we're sharing in all those
13 other revenue opportunities that beforehand
14 as we currently stand we're not. Just based
15 pretty much on the sales, the ticket tax,
16 and a very incidental amount of dollars that
17 are coming in.

18 CHAIRWOMAN FORD: We are excited
19 about this proposal, I guess I'll say I am,
20 but when we look at the promise of jobs, and
21 I know that -- and I'm happy to hear that it
22 will be labor unions that will be
23 constructing the Coliseum, and, as you move
24 forward to the permanent employees that will
25 be working at the newly renovated Coliseum,

Economic/Community Development 9-9-13

2 where do you plan on getting your pool of
3 employees from, will you be hiring locally
4 or will you be seeking outside of -- we are
5 hoping that you are not seeking outside of
6 Nassau County?

7 MR. LESTER: I think the plan is
8 to hire as many local people as possible at
9 the Barclays Center. We tried to hire as
10 many local people as possible, and I think
11 we hired 80 percent from Brooklyn, so that's
12 the goal, to try to hit something like that.
13 And then do areas right around the Coliseum
14 so just locally from the county and then
15 areas right around the Coliseum so the
16 commute is short, things like that.

17 CHAIRWOMAN FORD: Because I guess
18 those who live in an area where all this
19 construction and renovated Coliseum will be,
20 that at least the benefit for them will be,
21 as they put up with it, they can benefit by
22 having jobs from the Coliseum.

23 Transportation. For me, it's
24 very key that we're able to get people to
25 the Coliseum and, a lot of people, of

Economic/Community Development 9-9-13

2 course, in Long Island like to drive but we
3 are trying to move them out of their cars
4 and into buses and trains.

5 What is the anticipation on the
6 part of the Forest City Ratner group to see
7 what type of improvements there could be to
8 transportation and how are you planning on
9 moving the people within the campus, so to
10 speak, not only to the Coliseum, and are you
11 planning on tying Hofstra University into
12 this, as well as Nassau Community College
13 and hopefully Museum Row?

14 DEPUTY COUNTY EXECUTIVE WALKER:
15 Well, we've actually started looking at, and
16 Sean Sallie, who has done a tremendous job,
17 he was part of the RFP committee, and one of
18 the reasons why the county executive wanted
19 him involved because of his understanding
20 with planning and couldn't have brought more
21 to the table than somebody that we have on
22 our workforce and we are very fortunate to
23 have him. He got married literally as we
24 were making the selection. We told his wife
25 we are not letting him leave. He has to

Economic/Community Development 9-9-13

2 stay here. We were trying to Fed Ex him all
3 the materials, but he came back and survived
4 the honeymoon, he's still married, but we
5 are fortunate to him during this process.

6 CHAIRWOMAN FORD: Congratulations,
7 by the way.

8 DEPUTY COUNTY EXECUTIVE WALKER:
9 So, as we move forward with the federal
10 transportation, and I say federal because
11 the money was received due to the work of
12 Congress Woman McCarthy who has been a very
13 big supporter of obviously moving the
14 transportational alternatives and we've
15 taken this and Sean has spearheaded that
16 effort as well in utilizing those dollars
17 and how we can move people and pretty much
18 looking at a bus rapid transit system
19 working in conjunction with Renaissance
20 Development, what they're trying to tie in
21 with their downtown development process, but
22 moving people in and around the whole entire
23 Hub area, utilizing the colleges and we are
24 pretty close to finalizing that traffic
25 "concept" and then we will be will be moving

Economic/Community Development 9-9-13

2 forward.

3 We had had several meetings with
4 the stakeholders and community groups and
5 make that plan, approve that plan, and then
6 send that to the feds so hopefully we can
7 get some dollars to help with the
8 transportation. Obviously we will have to
9 go through the process with the Town of
10 Hempstead critical process in which the site
11 plan will be sent to them for their
12 approval, and if they're going to require
13 any type of transportation mitigation, we
14 all then have to look at what those
15 mitigations will be.

16 We believe it will not be
17 significant only because they approved their
18 last Mitchell Field mixed use development
19 plan which was over about three million
20 square feet of development. And we are
21 talking about 150,000 square feet of
22 development, so there wouldn't really be any
23 need for critical -- other than we know
24 there is traffic now, and we know when you
25 go to a major event there's some traffic and

Economic/Community Development 9-9-13

2 things of that nature, but we all want to
3 work together to deal with the flow and the
4 movement, so that will be a joint working
5 relationship with the county and NEC on how
6 we do things.

7 But pretty much dealing with it
8 with the contractors, there is no language
9 that says they are required to do anything,
10 it's unknown, and we will work with them on
11 that as we go forward.

12 CHAIRWOMAN FORD: I urge you for
13 public transportation, especially around the
14 Coliseum and within that so that we can keep
15 people out of their cars as much as
16 possible.

17 My other concern would also be in
18 terms of bringing in --

19 MR. SALLIE: Sean Sallie, Nassau
20 County Department of Public Works.

21 Just to add to what Mr. Walker
22 was saying, the Town of Hempstead Mitchell
23 Field mixed use zone does have pretty
24 stringent standards in terms of bringing in
25 walkability and conductivity to the existing

Economic/Community Development 9-9-13

2 land uses in that area. So that's sort of
3 baked into the zoning district and that will
4 be a requirement that the proposer, NEC,
5 would have to adhere to, would have to
6 submit a conceptual site plan or master plan
7 application to the Town of Hempstead Town
8 Board where all of the pieces of the puzzle
9 would have to be sort of shown and then a
10 formal site plan application where all of
11 those requirements of the zone will have to
12 be vetted.

13 CHAIRWOMAN FORD: And especially
14 since Mr. Ratner at the presentation at the
15 Coliseum did comment that he did meet with
16 Dr. Rabinowitz from Hofstra University and
17 he would like to make the Coliseum into a
18 college type of town for the Hofstra
19 students and I would also guess for Nassau
20 Community College students as well. So
21 public transportation or the availability of
22 buses or Rapid Transit would probably be
23 best for the students especially so that
24 they don't have to keep driving back and
25 forth.

Economic/Community Development 9-9-13

2 My other concern would be with
3 the water usage. My big concern was water
4 usage to the Lloyd Aquifer and things that
5 can be detrimental to our water supply.
6 This was something that I was very very
7 concerned with even under the Lighthouse
8 Development, although I did support it at
9 that time, my big concern was water usage
10 and what would it do, so my question then to
11 you is, I know that United Water, not
12 plugging them, but I just know that they
13 happen to have technology for grade water
14 technology. So I want to know, and I know
15 this group is planning on doing green
16 buildings, LED buildings, but my concern
17 would be for the water.

18 What efforts are you going to
19 make to try to minimize the use or the waste
20 of water with this Coliseum?

21 MR. LESTER: Obviously through
22 the renovation we want to increase the
23 efficiency generally. One of the things we
24 did at the Barclays Center was waterless
25 urinals so it decreases water usage by 46

Economic/Community Development 9-9-13

2 percent. I think we looked at it initially
3 here, so it seems feasible and it would be
4 one of the sustainable elements that we
5 would try to incorporate into the Coliseum.

6 As we go through the initial
7 design and planning, we obviously would look
8 at other ways to increase it but it's
9 something that I think should be doable
10 pretty easily.

11 CHAIRWOMAN FORD: I thank you
12 very much. I think that's it for me. I
13 know we have questions from the legislators
14 but I know Legislator Nicoletto would like
15 to start.

16 LEGISLATOR NICOLELLO: Thank you,
17 Chairwoman Ford, and thank you, gentleman,
18 for coming and making this presentation to
19 us today.

20 The lease term begins August 1st,
21 2015, and I would assume the development
22 group would want to be in a position at that
23 point to put a shovel in the ground and get
24 going on this thing.

25 It seems like it's a long long

Economic/Community Development 9-9-13

2 way away, 13 months, it's actually close to
3 two years. But could you just explain some
4 of the things that have to be done before
5 August 1, 2015 to put the project into a
6 position that you could hit the ground
7 running?

8 MR. LESTER: Sure. There's
9 actually quite a lot that needs to be done
10 and the way our development company works is
11 that we really invest a lot of time in the
12 predevelopment so that when the construction
13 period comes, we are ready to build, we can
14 build smoothly and quickly, and complete the
15 construction really as quickly as possible.

16 There are a number of things that
17 are happening simultaneously. One is
18 obviously the site plan approvals through
19 the Town of Hempstead. Additionally we need
20 to design both the Coliseum and the retail
21 portions. So they go through several phases
22 of design, we'll design concept schematic
23 design, development and construction
24 documents. And each point taking a pause to
25 price it out, look at the cost, make sure

Economic/Community Development 9-9-13

2 it's in line. And then we would want to
3 negotiate a guaranteed maximum price
4 contract with a construction provider,
5 probably Hunt Construction who built the
6 Barclays Center for us.

7 At the same time, we need to be
8 out there, we need to be out there with the
9 sale of the naming rights, so we have
10 committed to keeping our Nassau Veterans
11 Memorial Coliseum in the name but we do want
12 to sell naming rights to the Coliseum and
13 possibly to the plaza together with it.
14 It's an important revenue stream for us and
15 I think with county's eight percent to the
16 county as well. Then, once we sell the
17 naming rights, there are a number of other
18 sponsorships that we would sell inside the
19 building. Those sponsorships are important
20 in securing our financing, so this all
21 leading up to closing on financing as well.

22 So we want to secure as much sort
23 of contractual income as possible. So,
24 again, those sale efforts would be ongoing.
25 On the retail side, we would be developing

Economic/Community Development 9-9-13

2 the master plan first, then each of the
3 individual buildings, designing the
4 Fillmore, the movie theater, working with
5 the tenant, doing as much pre-leasing as
6 possible. Also, formalizing the event
7 booking commitments and staffing up the
8 organizations so we will be ready to go and
9 can hit the ground running. So there really
10 is a lot to do actually.

11 LEGISLATOR NICOLELLO: So 23
12 months seems like a long time, but from what
13 you're describing, it's really a very short
14 window to get this thing up and running and
15 in a position in which you want to move
16 forward on August 1st, 2015?

17 MR. LESTER: Definitely. And I
18 would say from the day we receive the RFP,
19 if we were fortunate to win it and move
20 forward, it would just be nonstop until we
21 open.

22 LEGISLATOR NICOLELLO: You said
23 site plan review from the Town of Hempstead,
24 correct?

25 MR. LESTER: Correct.

Economic/Community Development 9-9-13

2 LEGISLATOR NICOLELLO: Also I
3 assume you are going before the IDA of
4 Nassau County?

5 MR. LESTER: Yes. I didn't
6 mentioned that. But we need to go back to
7 the IDA to formalize the benefits we talked
8 about through the lead structure.

9 LEGISLATOR NICOLELLO: So you
10 have the governmental aspects, the naming
11 right aspects, the various desire to put the
12 retail components into place, and so it's a
13 very aggressive timetable if you're going to
14 get up and running by August 1st, 2015?

15 MR. LESTER: Yes. I think it's
16 the appropriate amount of time. A year
17 sooner or earlier would be really
18 challenging for us.

19 LEGISLATOR NICOLELLO: In terms
20 of the finance of this, for us to evaluate
21 it in a vacuum, it's kind of difficult.
22 But, Mr. Meyer, your law firm negotiates
23 these types of agreements with the
24 municipalities and operation of arenas and
25 things of that nature?

Economic/Community Development 9-9-13

2 MR. MEYER: Yes, that's correct.
3 We do this type of work around the country
4 and representing municipalities. The last
5 one we just did was a ballpark just north of
6 here.

7 LEGISLATOR NICOLELLO: Where was
8 that?

9 MR. MEYER: In Rockland County, a
10 minor league ballpark.

11 LEGISLATOR NICOLELLO: Any other
12 venues or locations?

13 MR. MEYER: No. We would
14 represent municipalities in any municipal
15 infrastructure project, golf courses, water,
16 wastewater, solid waste, any municipal
17 infrastructure projects along those lines.

18 LEGISLATOR NICOLELLO: In terms
19 of your experience, have you seen an
20 agreement as beneficial to a municipality
21 from a standpoint as this one?

22 MR. MEYER: No. It's hard to
23 compare against this one really because of
24 the process and because of the simultaneous
25 negotiation process, you know, it's not an

Economic/Community Development 9-9-13

2 easy process. It was one day on, every
3 other day with each proposer but the
4 municipality maintains the leverage under
5 that scenario if you do -- when you do,
6 which we see in most of our procurement
7 processes, that you select a proposer, and
8 many times it goes to that legislature and
9 is then -- the proposer is selected, and
10 then you go and negotiate for that period of
11 time. You've lost the leverage if you are
12 four to six months down the line and that
13 proposer knows that and it knows you are not
14 going to now turn around and go back.

15 So it was simultaneous
16 negotiation process that --

17 LEGISLATOR NICOLELLO: That was a
18 great idea. I think we're probably
19 unanimous on that. It was really a
20 brilliant idea as to how to approach this.

21 With respect to the finances you
22 mentioned that as of August 1, 2015, the
23 developer takes over, NEC takes over the
24 expenses with respect to the operation and
25 maintenance of the Coliseum property.

Economic/Community Development 9-9-13

2 What about under the MSG
3 proposal, was there something similar under
4 their proposal, were they taking over
5 complete operation, maintenance, costs?

6 MR. MEYER: Yes, under their
7 proposal, they were coming in and they would
8 take over basically management of the
9 facility and the county would be covering
10 certain of those expenses. Under Madison
11 Square Garden proposal, they were not
12 actually taking over full cost and expenses
13 and operation and maintenance and repair and
14 management until their construction
15 commencement date.

16 Not until they had all their
17 approvals and they were ready to move
18 forward with construction would they take
19 over 100 percent at their sole cost and
20 expense.

21 LEGISLATOR NICOLELLO: What about
22 during this construction phase, as you
23 indicated before, there's going to be some
24 form of rent paid during that period,
25 correct?

Economic/Community Development 9-9-13

2 MR. MEYER: Correct.

3 LEGISLATOR NICOLELLO: Under the
4 MSG proposal, was there any rent being paid
5 during the construction phase?

6 MR. MEYER: No. And as I said,
7 under the NEC lease, \$50,000 during the
8 approvals period, and \$100,000 during the
9 construction period. Under the MSG
10 proposal, they were not proposing any rent
11 throughout their approval or construction
12 period.

13 What they were proposing was to
14 pay, prepay 50 percent of their minimum
15 annual rent, 1.5 million which, I believe as
16 of August 1, 2015 that would sit there and
17 it was just a prepayment of rent at that
18 time, but there's no actual rent in the form
19 of the monthly rent that's being considered
20 here.

21 LEGISLATOR NICOLELLO: The
22 guaranteed rent under the NEC for both the
23 Coliseum property once construction is
24 completed and the plaza is \$4.4 million a
25 year?

Economic/Community Development 9-9-13

2 MR. MEYER: That's correct, the
3 Coliseum and the Coliseum Plaza
4 improvements. Correct.

5 LEGISLATOR NICOLELLO: The
6 guaranteed rent under the MSG proposal was
7 what?

8 MR. MEYER: And the fact that it
9 escalates.

10 LEGISLATOR NICOLELLO: Right.
11 But the MSG proposal was, what was their
12 proposal in terms of the guaranteed rent?

13 MR. MEYER: The guaranteed rent
14 was \$3 million a year. And it's only on the
15 Coliseum itself and not on the Coliseum
16 Plaza improvements.

17 LEGISLATOR NICOLELLO: They had
18 proposed I believe a percentage of ticket
19 sales?

20 MR. MEYER: Under MSG?

21 LEGISLATOR NICOLELLO: Yes.

22 MR. MEYER: They're actually
23 proposing \$1.50 per ticket for their --
24 towards their minimum annual rent.

25 LEGISLATOR NICOLELLO: And in

Economic/Community Development 9-9-13

2 terms of reaching the numbers that we're
3 talking about with NEC, how much tickets
4 events would they have to hold a year?

5 MR. MEYER: 1.7 million tickets
6 in that first in order to meet that same
7 minimum rent.

8 LEGISLATOR NICOLELLO: Do you
9 have an idea over the last ten years what
10 the number of ticket sales have been for
11 that time period?

12 MR. MEYER: Approximately 800,000
13 to one million tickets.

14 LEGISLATOR NICOLELLO: They would
15 be doing this without the Islanders playing
16 40 home games?

17 MR. MEYER: That's correct.

18 LEGISLATOR NICOLELLO: You
19 mentioned the escalation. The escalation
20 under the NEC proposal is 10 percent after a
21 certain period of time?

22 MR. MEYER: Every five years.
23 Ten percent every five years.

24 LEGISLATOR NICOLELLO: Tell me,
25 somebody gave me this number, but tell me

Economic/Community Development 9-9-13

2 what the difference over the course of the
3 lease would be under the NEC and MSG
4 proposals in terms of the money coming to
5 the county.

6 MR. MEYER: Over 49 years, if you
7 want to try to compare apples to apples on
8 that then it's over \$300 million over the
9 term of the NEC lease and approximately 180
10 million for 49 years under the MSG lease.
11 The MSG lease was a 40 year lease with four
12 or five year renewals. So a little bit
13 different terms, but if you want to compare
14 apples to apples and do 49 years because the
15 NEC lease is 49 years, it would be
16 approximately 300 to 180 million.

17 MR. LESTER: And just to give you
18 one other point along those lines is, if you
19 -- on one of our slides we had the Coliseum,
20 the annual Coliseum just rent, the annual
21 rent just on the Coliseum itself, where in
22 years 16 through 20 it was 5.324 million is
23 the annual rent for NEC. And under the MSG
24 lease, the rent that they were paying in the
25 final years, years 55 through 60 would be

Economic/Community Development 9-9-13

2 less than what was being paid in year 16
3 under the NEC lease. So that was
4 approximately 5.1 million and MSG would
5 guarantee under a lease, that was in year
6 16. In the MSG lease, it was year 55 to 60.

7 LEGISLATOR NICOLELLO: Thank you.

8 With respect to the exclusivity
9 period, there's a three month period in
10 which NEC has exclusive rights to negotiate
11 development of part of the property?

12 MR. MEYER: That's correct.

13 LEGISLATOR NICOLELLO: Is Monti
14 going to be involved in that? I know that
15 he had been brought in to oversee the
16 development of the entire property. How is
17 that going to work?

18 DEPUTY COUNTY EXECUTIVE WALKER:
19 I just want to go through one more thing,
20 Mr. Nicolello. We had both KPMG and also
21 PFM look at this -- both of these leases
22 from a financial component and I think we
23 have provided some data to you and just in
24 the difference between the two proposals. I
25 think MSG did a great job, great proposal as

Economic/Community Development 9-9-13

2 well as obviously NEC. The dollars just in
3 the report, PFM's report, \$333 million, \$334
4 million over the 49 year period compared to
5 178 by MSG. And that's just for the
6 Coliseum. The one difference also during
7 that process is NEC agreed to pay taxes,
8 obviously they will go forth to the IDA with
9 a pilot for the plaza development, but they
10 agreed to pay taxes over, again, enter a
11 pilot and then whatever the taxes are going
12 to be they're going to be.

13 Where the MSG model did not
14 actually require that it be 100 percent
15 exempt for the plaza and Coliseum
16 improvements which is a big difference for
17 the school district and the other
18 municipalities in the area. They obviously
19 will now share in that economic benefit.

20 But the reason why the three
21 month exclusivity was proposed, the MSG
22 model, they actually wanted to have 100
23 percent development rights for the remainder
24 of the property at their sole discretion.
25 In this case, if something great could or

Economic/Community Development 9-9-13

2 would occur that, for whatever would happen,
3 they get a phone call that I just used --
4 the Yankees or Mets want to build a minor
5 league ballpark in the hypothetically
6 speaking, in the parking lot, why would we
7 not want to go ahead and do something like
8 that, if this legislature, because it will
9 have to come back to this legislature anyway
10 in a lease agreement and for payment, to go
11 ahead and offer the opportunity. So that's
12 why that three months is there.

13 We've recently met with
14 Renaissance and Don Monti and we look
15 forward to working with him and NEC going
16 through with the remainder of development,
17 if there is going to be development and when
18 that would be. Who knows? And, again, that
19 will be subject to again this legislature
20 and the Town of Hempstead and everybody else
21 moving forward, but it would be a
22 partnership with us and them.

23 At the end of the day, really,
24 who owns it is the county and the
25 legislature in terms of approving any type

Economic/Community Development 9-9-13

2 of subsequent lease. The important part is
3 the town of Hempstead component, when you
4 mentioned timelines, 23 months, the Town of
5 Hempstead, to get approval, they obviously
6 are going to be the final arbiter in how
7 much space is going to be available
8 immediately for any future development, if
9 any. There may not be. They may say you
10 have to use all 77 acres for this
11 development and, then, we've worked with Don
12 and many people in this room, Legislator
13 Troiano, whose district, and I do want to
14 apologize, by the way, that you did not
15 receive notice for that meeting and we're
16 going to have that planning OSPAC meeting
17 again on the 12th, which I hope everyone has
18 received that information, so I apologize.
19 You can blame me because I blame every one
20 else. I will take the blame there. We
21 apologize, but we're working through that to
22 see in there are dollars available from the
23 state for a parking garage and things of
24 that nature.

25 But this deal is on its own, it's

Economic/Community Development 9-9-13

2 77 acres. That's what we went to the
3 planning commission, OSPAC, for. That's why
4 we're here with you and we've worked with
5 this legislature and everyone else going
6 forward for the future development if and
7 when that time comes.

8 LEGISLATOR NICOLELLO: You
9 touched on parking. I just want to talk
10 about that real briefly.

11 Putting aside the possibility of
12 a garage, is there sufficient parking on the
13 property as it exists now for all of the
14 designed uses?

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 Yes. We are very comfortable, yes. That
17 being said again, as I go back, and why the
18 timing is so important, is the final arbiter
19 is going to be the Town of Hempstead. We
20 believe it fits well within the zone and the
21 use, obviously downsizing the area from
22 16,000 seats to 13,000, that opens the
23 ability up, but, again, we're going to let
24 them do what they are required to do. We
25 believe it does handle and it does fit, but

Economic/Community Development 9-9-13

2 let them do what they need to do the right
3 way and then we move forward.

4 LEGISLATOR NICOLELLO: During the
5 construction phase, there will be
6 consideration given to the surrounding
7 neighborhood to the best extent possible and
8 effects are mitigated?

9 DEPUTY COUNTY EXECUTIVE WALKER:
10 100 percent. The county executive has
11 already started to reach out to some of the
12 civic organizations in the area. As I
13 mentioned before with Mr. Ratner, and if
14 anyone was fortunate enough to meet Ashley
15 Cotton, who was introduced before, they just
16 really would -- they love working with
17 people and they listen to what people's
18 concerns are.

19 From the minute that they were
20 selected, they went to the ground working,
21 reaching out to all of you, local civic
22 associations, the UVO as was mentioned
23 before, to start building up, not only
24 support but to really take into account what
25 people see. That's what they did in

Economic/Community Development 9-9-13

2 Brooklyn. They worked very well in
3 Brooklyn, and judging just by the MTV music
4 awards, everyone is on TV and it was great.
5 It was something, a nice thing to have. And
6 to desire any one of you call them, they
7 will get back to you, if not, come see you
8 directly.

9 LEGISLATOR NICOLELLO: Thank you.
10 I'm as excited as Legislator Ford about this
11 project. In my opinion, it's the best
12 proposal we have had in my entire time here,
13 I think for the last two decades we have
14 been looking at this.

15 I have one comment though about
16 the design. To the extent you can do this
17 within the same footprint, those concourses
18 at the Coliseum are very tight when there
19 are people leaving events, during halftime.
20 To the extent that your design team can do
21 something to widen them to create more space
22 for people I think it would be beneficial to
23 all.

24 MR. LESTER: Yes. We have heard
25 that that is one of the major complaints of

Economic/Community Development 9-9-13

2 that in facility. So that was part of some
3 of the thinking of restoring the inner
4 concourse inside the bowl to alleviate some
5 of the stress on the outside, but we will
6 continue to look at it.

7 CHAIRWOMAN FORD: Thank you. I
8 have to say that Rich and I do think alike
9 and that was going to be one of my comments
10 even about the concourse.

11 You have generated a lot of
12 discussion amongst the residents here in
13 Nassau County, believe it or not, and I have
14 actually received phone calls and people
15 have stopped me in the street to discuss
16 these plans with Mr. Ratner and what he
17 wants to do.

18 One of the interesting things as
19 Rich talked about, I should say Legislator
20 Nicoletto, with the concourse, I guess
21 people want to know about how you're going
22 to set it up. I guess one of their
23 suggestions would be that the sections each
24 have their own basic concession stands and
25 amenities such as the bathrooms, which would

Economic/Community Development 9-9-13

2 then cut down the number of people that are
3 walking through the Coliseum trying to find
4 their seats, that if everybody knows in
5 their section that the bathrooms and the
6 concessions are right there, that people
7 know that they can stay within their own
8 area rather than walking all around all of
9 the concourses of the Coliseum, sort of
10 like, somebody said, the Prudential Center.
11 So I'm just throwing it out there on behalf
12 of one of my residents.

13 Legislator Kopel.

14 LEGISLATOR KOPEL: Thank you. I
15 have only a few questions. I guess I will
16 direct them to you Rob, since I know you
17 best. You can direct them to others as you
18 see fit.

19 Forgive me if I'm going over some
20 ground that you may have covered because
21 there is a lot to absorb here. It's a
22 single purpose entity, NEC, right?

23 MR. LESTER: Yes.

24 LEGISLATOR KOPEL: It's I guess
25 -- not legally, but it is informally we'll

Economic/Community Development 9-9-13

2 say a joint venture of the various partners
3 in this.

4 Now, is this going to be -- is
5 there any capitalization requirement,
6 Capitalization requirement going in for NEC?

7 DEPUTY COUNTY EXECUTIVE WALKER:
8 In what regard?

9 LEGISLATOR KOPEL: Are you going
10 to capitalize the entity going into this
11 venture to a certain extent or do it as --
12 is there any minimum capital commitment
13 required by the partners?

14 MR. LESTER: Typically we start
15 ramping up our predevelopment activities and
16 continue to fund them through the
17 partnership and then at the time of closing,
18 all of the money is invested through the
19 commencement of construction so you
20 obviously don't want to have a project that
21 isn't fully capitalized when you're starting
22 out. So we have the loan closed, all the
23 equity would be invested at that time to the
24 extent it hasn't been used.

25 LEGISLATOR KOPEL: You'll just

Economic/Community Development 9-9-13

2 kind of accrue whatever expenses you are
3 doing until that point?

4 MR. LESTER: Well, we pay them
5 currently as we go along.

6 LEGISLATOR KOPEL: Right. Now,
7 is there going to be any contingencies for
8 financing in this contract?

9 MR. LESTER: Yes. There is a
10 financing contingency. However, we look at
11 the projects, I guess, Rob, I can answer
12 that. We look at the retail and the
13 Coliseum somewhat differently.

14 The Coliseum itself, the revenues
15 are what the financing is based on. We've
16 gotten a letter from Goldman Saks expressing
17 high confidence in the ability to do it, in
18 our ability to even finance it. It's
19 possible they may finance it internally
20 themselves.

21 Then, on the retail, it's a
22 typical project for Forest City. Our
23 projects are all special purpose entities
24 like this, so we do about a billion dollars
25 of financing each year. We manage about \$12

Economic/Community Development 9-9-13

2 billion of total financings.

3 LEGISLATOR KOPEL: I get that
4 there is a real good shot you will get the
5 financing. What is the contingency period?
6 You said there was a financing contingency.

7 MR. LESTER: Essentially, if
8 something happens, and we can't get the
9 financing --

10 LEGISLATOR KOPEL: What I'm
11 asking is, at what point do we know that?
12 In other words, at what point does this deal
13 become firm?

14 MR. MEYER: It's for commencement
15 of construction. They have a financing
16 contingency. So if they cannot obtain their
17 financing, then they wouldn't be required to
18 move forward with construction. We've had
19 PFM as well as KPMG review their finances,
20 and, in addition to the letters from Goldman
21 Saks, and Guggenheim, they have confidence
22 that --

23 LEGISLATOR KOPEL: Under current
24 market conditions, are the partners to the
25 entity required to guarantee the financing

Economic/Community Development 9-9-13

2 pursuant to our contract? In other words,
3 in order to make sure they get the
4 financing?

5 MR. LESTER: It's not guaranteed.
6 We do have to use best faith efforts to get
7 the financing. So you can't just do nothing
8 and not get it.

9 LEGISLATOR KOPEL: What about
10 performance bonding for the construction as
11 well as for -- as we go along, is there any
12 requirement for any such bonding?

13 MR. KLEIN: Zachary Klein from
14 Pannone Lopes Devereaux & West.

15 In addition to the financing
16 contingencies, there is an approval period
17 built in to the contract in which NEC has
18 two years subject to force majeure to obtain
19 all the requirements including approvals and
20 all financing necessary to complete the
21 project. There is also a five year drop
22 dead date in which it's not subject to any
23 force majeure, so that, to answer your
24 previous question, that would be the
25 deadline in which financing, if it wasn't in

Economic/Community Development 9-9-13

2 place, there is a termination right for both
3 parties, under the two years with force
4 majeure or five year drop dead date.

5 LEGISLATOR KOPEL: And the other
6 question in terms of performance guarantees,
7 performance bonding, or guarantees both,
8 both by the partners and by an outside
9 bonding company?

10 MR. KLEIN: Right. In terms of
11 the construction, there's three
12 possibilities built into the lease. NEC
13 could either put up a letter of credit,
14 performance bonding of the contractor, or a
15 most likely scenario is a completion
16 guarantee by Forest City Enterprises which
17 is the parent company involved in this
18 project.

19 LEGISLATOR KOPEL: So that's what
20 you're anticipating but it's not in the
21 contract, right?

22 MR. KLEIN: No. Those three
23 options are built in and they have to
24 provide one of those things.

25 LEGISLATOR KOPEL: One of those

Economic/Community Development 9-9-13

2 options, I see.

3 MR. LESTER: Our intention would
4 be to have Forest City Enterprises provide a
5 completion guaranty and then to bond the
6 contractor, the subcontractors over
7 \$500,000. So the majority of the
8 contractors, except for the very small ones.

9 LEGISLATOR KOPEL: I understand
10 when you talk about the subs but what about
11 the overall project?

12 MR. LESTER: That would be
13 covered by the completion guaranty by Forest
14 City Enterprises. And once we start we have
15 to complete, including any overruns, et
16 cetera.

17 LEGISLATOR KOPEL: So you
18 mentioned what the minimal rentals are here.
19 The projected, your actual projections for
20 the rentals, do those exceed the minimums?

21 MR. LESTER: The projections
22 actually exceed the minimums. We would
23 expect the county to be doing better than
24 the minimum.

25 LEGISLATOR KOPEL: But you don't

Economic/Community Development 9-9-13

2 know how obviously? Projections are
3 projections, who knows?

4 MR. LESTER: I'm not sure but
5 about a million dollars a year or so. They
6 are projections, so we obviously -- we don't
7 want to guarantee the full amount to the
8 extent something crazy happens but we are
9 showing more than \$4 million flowing
10 through.

11 LEGISLATOR KOPEL: I understand.
12 Now, in the revenue that's
13 subject to being shared, would that include
14 broadcast revenue? I didn't notice that
15 there. May I missed it.

16 MR. LESTER: To the extent that
17 there are any broadcast revenues flowed to
18 the Coliseum it would include broadcast
19 because all revenues that flow to the
20 Coliseum are subject to the sharing.

21 Without a tenant like The Nets or
22 The Islanders, there really probably isn't
23 much, broadcasts.

24 LEGISLATOR KOPEL: But you may
25 have special events and in that case --

Economic/Community Development 9-9-13

2 DEPUTY COUNTY EXECUTIVE WALKER:

3 We'd share in the eight percent.

4 LEGISLATOR KOPEL: That's
5 assuming that NEC's contract with the event
6 promoter provides for that, which I assume
7 it will.

8 I guess from what I heard you say
9 before, there's no real point in trying to
10 terminate the Islanders or getting them to
11 terminate early?

12 MR. MEYER: No.

13 LEGISLATOR KOPEL: You might as
14 well have them there.

15 MR. MEYER: The time line doesn't
16 work.

17 LEGISLATOR KOPEL: Doesn't work
18 anyway. Now, in terms of --

19 DEPUTY COUNTY EXECUTIVE WALKER:
20 Going for the Stanley Cup, the Islanders.

21 LEGISLATOR KOPEL: In terms of
22 tenants, I'm sure we are all on the same
23 page, but does the county have any kind of
24 approval rights on tenants?

25 MR. MEYER: No. Built into the

Economic/Community Development 9-9-13

2 lease we don't have approval rights over the
3 tenants coming, correct.

4 LEGISLATOR KOPEL: All right.
5 Thank you.

6 CHAIRWOMAN FORD: Presiding
7 Officer Gonsalves.

8 PRESIDING OFFICER GONSALVES:
9 First of all, thank you, gentlemen for being
10 here today and waiting so long to present a
11 project that I think my community has been
12 waiting for for a long time. In fact, my
13 community abuts the Coliseum property
14 together with Uniondale and it's been a long
15 time in coming. I would say that the people
16 are anxious to see something happen at the
17 Coliseum.

18 I have a few questions and I'm
19 going to go back to one that Legislator
20 Nicoletto mentioned regarding the parking.
21 I know that there is enough parking,
22 on-ground parking to accommodate the plaza
23 as well as the Coliseum.

24 Is any thought being given to a
25 parking garage which would alleviate the

Economic/Community Development 9-9-13

2 ground space for the parking and make it
3 more efficient?

4 DEPUTY COUNTY EXECUTIVE WALKER:
5 For this plan, as it stands now, the
6 Coliseum improvements and for the 150,000,
7 175,000 square foot of development, no, it's
8 stand alone parking.

9 We would be required to maintain
10 that parking whatever the town of Hempstead
11 requires us to maintain and then it's the
12 county working in conjunction with NEC and
13 Mr. Monti and Renaissance to see if there
14 are ways to come up with those dollars for
15 any parking and that obviously, as you
16 mentioned, would supplant the existing
17 parking and it could be used for other
18 things, but that would have to go through
19 the whole process.

20 This is very important, it's a
21 stand alone program, without any type of
22 parking, nothing needed to be done, nothing
23 required to be done, and anything subsequent
24 will just come if it gets approved and then
25 we would have work through our environmental

Economic/Community Development 9-9-13

2 and go through all the approval processes at
3 that point.

4 PRESIDING OFFICER GONSALVES: The
5 only reason why I'm mentioning the parking
6 garage, it would not only be beneficial to
7 the Coliseum, but also to the neighboring
8 amenities there. It would make it a lot
9 easier for people to get in and out without
10 creating a problem.

11 I'm going to go back to the
12 transportation. I know that for a long,
13 long time there have been many many modes of
14 transportation that had been considered for
15 this property.

16 However, many of them, of course,
17 may not be very realistic. I just want to
18 know, because I know this is what is
19 happening with Veolia and the college. They
20 are working, in fact, they are working out a
21 bus system to accommodate students to get
22 them out of their cars and onto the buses.

23 Is there any way in which Veolia
24 would be involved --

25 DEPUTY COUNTY EXECUTIVE WALKER:

Economic/Community Development 9-9-13

2 Part of our transportation study, we have
3 already solicited input from Veolia, NICE,
4 they're very interested in taking part and
5 that's what our overall traffic study with
6 the bus rapid transit, because it would be
7 something that we believe we could do very
8 quickly, and it's not as cost prohibitive as
9 these other transportation projects are, or
10 eight to ten years in the making.

11 We want to do something that's
12 real and could be done right away, and
13 that's the goal that we have in mind working
14 with NICE, with the colleges, and, more
15 importantly, we have done a lot of work
16 already in that area with the walkway
17 improvements and the bicycle paths, and we
18 start linking, as you know, on Merrick, with
19 Eisenhower Park, that's the next phase of
20 the bicycle path, that will be connected, to
21 that whole Motor Parkway program. This will
22 just be another thing that we add in with
23 the bus rapid transit.

24 PRESIDING OFFICER GONSALVES:

25 That's appealing primarily because we all

Economic/Community Development 9-9-13

2 want to see the traffic on Hempstead
3 Turnpike not increase, but, if anything,
4 decrease.

5 I'm not a finance expert but I do
6 have concerns that, as a layperson, in this
7 contract, are there any circumstances that
8 will call for the commitment of county
9 taxpayers?

10 DEPUTY COUNTY EXECUTIVE WALKER:

11 No.

12 PRESIDING OFFICER GONSALVES:

13 Okay. That's a good answer.

14 DEPUTY COUNTY EXECUTIVE WALKER:

15 100 percent privately financed.

16 PRESIDING OFFICER GONSALVES:

17 In many projects there are cost overruns.

18 Who would be responsible for the cost
19 overruns?

20 DEPUTY COUNTY EXECUTIVE WALKER:

21 Jim, he has deep pockets.

22 PRESIDING OFFICER GONSALVES:

23 Are there financial protections built into
24 this lease that will insure that NEC is
25 going to complete the construction?

Economic/Community Development 9-9-13

2 DEPUTY COUNTY EXECUTIVE WALKER:

3 Yes. I think both Zach and Josh mentioned a
4 few previously. We've allowed ourselves
5 first, starting on August 1, 2015, with
6 commencement, NEC is required to start
7 paying either during construction or during
8 their own operation, so that's a positive.

9 As they go through the
10 construction process and permit process,
11 they have X amount of years, two and five
12 year commitments if -- once they begin
13 construction, they will be required to have
14 one of those, the three necessary guarantees
15 put in place.

16 At the very worst for Nassau
17 County is they complete construction and
18 they give us \$160 million worth of
19 renovations and now the county has a
20 building. That would be the very worst. We
21 don't want to see that happen. We don't
22 think it will.

23 That's why I think the
24 partnership had with both Guggenheim and
25 Goldman Saks and also Blumenfeld Development

Economic/Community Development 9-9-13

2 Group that many people, just have done work
3 with them in the areas, a Nassau County
4 company, just brings a lot of added fire
5 power to their team. But it's having those
6 guarantees once they start construction, and
7 should they not, for whatever reason, start
8 construction, then we at that point another
9 decision has to be made. I don't see that
10 happening but it's not costing the county
11 taxpayer anything.

12 PRESIDING OFFICER GONSALVES: I
13 just want to make a comment. I'm familiar
14 with the Barclays Center. My children live
15 in that vicinity and I'm also familiar with
16 the community that existed prior to the
17 Barclays Center. It's been a boom to
18 Flatbush Avenue and Brooklyn and I'm hoping
19 that the Coliseum, under NEC, will be a boom
20 to Nassau County and I will leave it at
21 that.

22 CHAIRWOMAN FORD: Legislator
23 DeRiggi-Whitton, please.

24 LEGISLATOR DERIGGI-WHITTON: Hi.
25 I just want to start off by saying that

Economic/Community Development 9-9-13

2 we're very supportive of this project as
3 well, at least speaking for myself.

4 I'm very glad it's going to be
5 funded privately and not on the taxpayers
6 burden. I think we all realize that this is
7 the right way to go.

8 Saying that though, I have been
9 looking at the lease which we just got a
10 couple of days ago and I think there might
11 be a couple of minor adjustments that would
12 secure the major goal which we all have up
13 here which is not only seeing this work
14 happen but have it happen as fast as
15 possible so we can get as many jobs in for
16 our residents as possible and have as much,
17 not only through the construction stage but
18 also primarily once it's in business.

19 When you look at some of the
20 conditions and construction, for instance,
21 what you were just talking about with the
22 finance which is under Section 4 of the
23 draft, the term that they're using, which I
24 know Legislator Kopel would also know, to
25 see if this is satisfactory, it basically

Economic/Community Development 9-9-13

2 says that there has to be, NEC basically has
3 to be, the financing has to be reasonably
4 satisfactory to the tenant.

5 So if the financing conditions
6 are not reasonably satisfactory, that is
7 going to release the tenant, in this case,
8 NEC from this lease. That's a term that I
9 find to be very loose. I mean, in my
10 opinion it's not really a lease if that's a
11 condition. It's almost like it's such an
12 option, it's so conditional, that I have a
13 real problem with that. I think we have to
14 change that wording to make that more of a
15 solid -- it has to be a solid commitment
16 from you guys.

17 I don't want to see us wait five
18 years and then for some reason say that you
19 are not reasonably satisfied with your
20 financing and we're back where we are right
21 now. We have been waiting 20 years, as
22 Legislator Nicoletto said, I went to
23 Hofstra, I've seen this, we all want this.

24 So I want to have a guarantee
25 that what reasonably satisfies you is not

Economic/Community Development 9-9-13

2 something that we are subject to.

3 MR. LESTER: Right. And that's a
4 good observation and clearly understandable.

5 What we have included here is
6 kind of a standard commercial term in
7 contracts like this for large scale retail
8 projects.

9 Financing is obviously something
10 that is the product of a market, and NEC is
11 required to, under the lease, to fulfill the
12 project to seek financing that makes the
13 project realistic. If they were unable to
14 secure financing that could make this
15 project profitable for the county and the
16 county residents as well as for themselves,
17 then it's difficult to force a company to
18 move ahead with a project like that.

19 LEGISLATOR DERIGGI-WHITTON: And
20 you have up to five years.

21 MR. KLEIN: Yes. There's a drop
22 dead approval date from the --

23 LEGISLATOR DERIGGI-WHITTON: I'm
24 not happy with that. I think we should look
25 at that, Rob Walker. I feel awkward with

Economic/Community Development 9-9-13

2 you guys behind this podium, but I don't
3 think that's a good risk for our residents
4 in the sense that we could wait five years
5 and then find out that they're not
6 reasonably satisfied.

7 Can I ask you for two things? I
8 understand you have a letter from Goldman
9 Saks, can I get a copy of that? I would
10 also like to know, do you have any other,
11 like, credentials that you can show us, any
12 kind of financial description of your
13 collateral basically that you can provide to
14 each of us?

15 MR. LESTER: You can certainly
16 have the letter as far as I'm concerned from
17 Goldman Saks, publicly traded company, so --

18 LEGISLATOR DERIGGI-WHITTON: Is
19 that your only history that you have
20 available for us?

21 MR. LESTER: We can give also a
22 copy of the completion guaranty that we
23 typically provide.

24 I do think it's worth saying that
25 with the Barclays Center, the world sort of

Economic/Community Development 9-9-13

2 came to an end in terms of financing and we
3 were able to move forward with our project
4 by re-imagining what the program was around
5 the building and to move forward with it.

6 So our business is building and
7 developing and that's what we are here to
8 do.

9 LEGISLATOR DERIGGI-WHITTON: Has
10 there ever been a time when you haven't been
11 able to get financing?

12 MR. LESTER: Not that I'm aware
13 of.

14 LEGISLATOR DERIGGI-WHITTON: What
15 happened in 2002 in Atlantic City with the
16 outlet mall?

17 MR. LESTER: My understanding of
18 that is that the property was sold to MGM
19 and MGM built the Borgata and chose not move
20 forward with the project.

21 LEGISLATOR DERIGGI-WHITTON: I
22 heard there was a little bit of a different
23 scenario, that there was an issue with
24 financing with the 2002 Atlantic City
25 outlet.

Economic/Community Development 9-9-13

2 Again, I would also like maybe a
3 description of what happened with that as
4 well.

5 There is one other issue that I
6 think is a little bit loose, I guess you
7 could say. There's something mentioned
8 that's just saying if there is any
9 modification the lease, and basically what I
10 want to know, if there any type of
11 modification, it's under Section 55, 1C, if
12 there has to be this modification, would
13 said modification come before the
14 legislature or would it only be the county
15 executive who would be able to conclude such
16 a modification?

17 That I think is going to be a
18 major question for us as well. I want to
19 know, like, if we pass it now and there is a
20 modification, is it going to come back to us
21 or is it just going to be something that's
22 handled with the county executive?

23 If you want to look in the final
24 lease in the 1.36 section which is the
25 Coliseum renovation, it says right in here

Economic/Community Development 9-9-13

2 that the scope of the Coliseum renovation
3 may need to be modified. Again, I don't
4 know what that really means. If it's just
5 the county executive, I would really like to
6 know that, and I would rather it, Rob say
7 that it comes back to the legislature for
8 any modification especially regarding the
9 lease.

10 MR. MEYER: What I would say on
11 that, if there's a modification that's not
12 contemplated in the lease itself, then it
13 would clearly come back to the legislature
14 for approval.

15 LEGISLATOR DERIGGI-WHITTON: You
16 got to check that.

17 MR. MEYER: And if it's an
18 amendment to the lease itself, it would come
19 back to the legislature for approval. It's
20 only something that would be within a scope
21 that doesn't actually change a term
22 contained in the lease.

23 LEGISLATOR DERIGGI-WHITTON: Then
24 we are -- I really feel like we owe it our
25 residents to make sure everything is in

Economic/Community Development 9-9-13

2 order, and I think we're going to have to
3 know what you would consider to be that type
4 of modification, that would either go to the
5 county executive or come to us. Just a
6 general description of both because whoever
7 is in the county executive position, we want
8 to make sure that the legislature also has a
9 good accountability for what is going on.

10 MR. MEYER: Understood.

11 LEGISLATOR DERIGGI-WHITTON: I
12 have two other points; one is, I know you
13 mentioned about the asbestos that you were
14 going to basically anything, that you were
15 going to be, anything that you were directly
16 involved with you were going to possibly be
17 removing. From what I've heard, there is a
18 major asbestos issue with the building.

19 What percentage do you think you
20 will be removing?

21 MR. LESTER: It's hard to say at
22 this point what percent we'll be removing.
23 We certainly need to remove or encapsulate
24 all of it so it's safe for the public. So
25 once the lease is approved by the

Economic/Community Development 9-9-13

2 legislature, then we would go in and begin
3 testing.

4 So we need to do our own set of
5 testing rather than rely on any previous
6 testing to really understand the scope of
7 the problem. So that's where it starts.

8 LEGISLATOR DERIGGI-WHITTON: I
9 know there has been some work to date, but I
10 think it's something that we would like to
11 also be briefed on because I think it could
12 pose some health issues as we all know, that
13 we really would like to see as large a
14 percentage as possible.

15 MR. LESTER: It's another reason
16 for the time that we need to go in and do
17 the environmental testing both on the inside
18 and on the site.

19 LEGISLATOR DERIGGI-WHITTON: I
20 will recap real quick in a second, but I had
21 a constituent who mentioned to me that they
22 are involved with certain boat shows, and
23 it's sort of what Denise Ford was saying.
24 The bottom, the basement is supposedly very
25 cumbersome to people bringing boats in or

Economic/Community Development 9-9-13

2 bringing in different equipment, so if we
3 could possibly work on the access doors for
4 that. I heard it was actually -- I heard it
5 was one of the reasons why they won't
6 participate in boat shows.

7 DEPUTY COUNTY EXECUTIVE WALKER:
8 It's more the pillars.

9 LEGISLATOR DERIGGI-WHITTON: I'm
10 sorry?

11 DEPUTY COUNTY EXECUTIVE WALKER:
12 It's more the pillars that are in there.

13 LEGISLATOR DERIGGI-WHITTON: But
14 I think that if the doors were reconstructed
15 in a better way like in other places, like
16 Manhattan we have both shows there all the
17 time, so I think that would be a major
18 improvement.

19 So, just again, just to recap, I
20 think we would all feel more comfortable
21 with better language regarding the
22 financing, reasonably satisfactory is just
23 not reasonably satisfactory.

24 And, again, I just want to know
25 what the process is, if there is any type of

Economic/Community Development 9-9-13

2 change to the lease or modification to the
3 lease and who would have what capacity, what
4 would be left up to the county executive and
5 what would be brought back to here. Thank
6 you.

7 CHAIRWOMAN FORD: Legislator
8 Solages, please.

9 LEGISLATOR SOLAGES: Thank you
10 very much, Chairwoman Ford.

11 Good evening. First I would like
12 to begin by saying that this project and
13 this proposal is long overdue. I'm glad to
14 see an idea with vision that will help our
15 county gain revenue. I'm all in support and
16 in favor of more construction jobs, union
17 jobs, and jobs also for our hard working
18 residents who want opportunity.

19 But my question, along with my
20 colleague, concerns the financing option.
21 Isn't it true that even with the approval of
22 the county executive and this body that if,
23 without financing, this project would not
24 start for another five years at least?

25 DEPUTY COUNTY EXECUTIVE WALKER:

Economic/Community Development 9-9-13

2 Not necessarily. In the contract, as it
3 speaks, is that they have five years to have
4 the project completion. If it doesn't, then
5 the county has the ability to move in
6 another direction. That's why we had KPMG
7 and PFM look at the finances of both
8 finalists and they were very comfortable
9 that that financing would be achieved. I
10 obviously I agree with you. I think
11 everyone would agree with that.

12 So I think it's the due diligence
13 that needs to be put in. I think a lot of
14 the truth is going to be in the detail that
15 takes place over the next 18 months in
16 getting all the approvals in place, 24
17 months, so they can actually start
18 construction right away. And you will see
19 how real people really are when that time
20 comes. So we're going to see it very quick.
21 Not in August of 2015, but today, because
22 they're going to have to start going to the
23 Town of Hempstead right away and spending a
24 lot of money that they are not going to get
25 a return on until we're open.

Economic/Community Development 9-9-13

2 So I think that is some proof in
3 the pudding that they're real. We can get
4 you the correspondence from Goldman Saks,
5 which I think is important, Guggenheim, and
6 shore up obviously -- the quicker we can
7 shore up and have people that are going to
8 move in and have -- that are going to invest
9 in the retail space and things of that
10 nature only make it more financeable too.

11 LEGISLATOR SOLAGES: But even
12 with the proof of those letters, there is no
13 guarantee that construction will begin in 26
14 months from now?

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 Correct. Unfortunately, no. And,
17 unfortunately, we can't give to anybody --

18 LEGISLATOR SOLAGES: Currently
19 the Barclays Center is the most revenue out
20 of any gaming center; is that correct?

21 MR. LESTER: That's right.

22 LEGISLATOR SOLAGES: So, my
23 concern is, during this time, Barclays
24 continues to grow and, again, my sole focus
25 is for our great county Nassau -- as much as

Economic/Community Development 9-9-13

2 I want to see Barclays becomes successful, I
3 want to make sure the Hub, the Coliseum,
4 becomes successful.

5 How can we guarantee or insure
6 that, or make our best efforts, that this
7 site will be just as successful as Barclays
8 during that time Barclays will continue to
9 grow? What sort of assurance do we have
10 that at least this opportunity is on the
11 same footing for it to grow as well?

12 DEPUTY COUNTY EXECUTIVE WALKER:
13 And I agree one hundred percent. During our
14 process, I don't want to speak for the
15 committee members --

16 LEGISLATOR SOLAGES: I mean, the
17 developer has an interest in a way, almost
18 that if this financing takes too much time,
19 he still has a fixed market at least for his
20 other entity to be successful.

21 DEPUTY COUNTY EXECUTIVE WALKER:
22 Here is the good thing and this was one of
23 the differences between the two proposals
24 that I think was important, because I agree
25 with you. I think that when you look at the

Economic/Community Development 9-9-13

2 numbers, first off, in this case, NEC to
3 start paying the county on day one, August
4 1st, 2015, irregardless, they're paying.
5 They're paying the county money. The other
6 proposal that we have for MSG, they are not.
7 In fact, they had the same five years to go
8 out and get all the approvals and things of
9 that nature. Theoretically, either one of
10 them can let it sit. I don't think either
11 one of them because there's too much skin in
12 the game. Obviously they're all spending a
13 lot of money already.

14 So August 1st, 2015, they start
15 paying Nassau County, they start operating
16 right away.

17 During construction they're also
18 paying. So we get those dollars in
19 immediately August 1, 2015. We remove all
20 the expenses. We remove all the capital
21 improvements. That's on them. I think that
22 very, very crucial for the county. So their
23 skin is in the game at that point too.

24 Listen, you can't guarantee --
25 unfortunately, I wish we can guarantee

Economic/Community Development 9-9-13

2 everything. You can't.

3 LEGISLATOR SOLAGES: Believe it
4 or not I'm a hockey fan, I love hockey.

5 DEPUTY COUNTY EXECUTIVE WALKER:
6 You can probably skate much better than I
7 can.

8 LEGISLATOR SOLAGES: I'm
9 concerned that we only have the Islanders
10 here for four games. I mean, can we share
11 the love? If the same entity controls both
12 sites, how come we cannot share the love of
13 it? Bring the Islanders back to Nassau. I
14 want the Islanders.

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 Me too. I can't speak for the Islanders,
17 nor can really anybody. All I know is that
18 we have them at least committed. We have a
19 minor league hockey team committed. I want
20 to see them play more games.

21 This has a minimum of four games
22 plus the two preseason. Who knows how it's
23 going to work at Barclays.

24 LEGISLATOR SOLAGES: It's the
25 same developer. How could -- I mean, for us

Economic/Community Development 9-9-13

2 to lose the Islanders, to bring them back
3 for more games --

4 DEPUTY COUNTY EXECUTIVE WALKER:
5 We can try, yes. I think we all want to. I
6 want them to play every game here if they
7 could.

8 LEGISLATOR SOLAGES: Thank you.
9 Thank you very much, Chair.

10 CHAIRWOMAN FORD: Just to let you
11 know, Legislator Solages, I think at the
12 presentation at the Coliseum, Mr. Ratner did
13 talk about, you know, because we all would
14 like the Islanders to come back, and I'm
15 pushing for it as well.

16 But I think that the decision
17 isn't just solely based on NEC bringing them
18 back. The National Hockey League also has
19 to give them the okay for them to then come
20 back to the Coliseum. But we are all going
21 to work on this because we definitely would
22 like to see this team come back to where
23 they began. So I agree with you.

24 Legislator Belesi.

25 LEGISLATOR BELESI: I have a few

Economic/Community Development 9-9-13

2 questions.

3 Number one, the question of
4 asbestos came up in this discussion.
5 Asbestos is only dangerous, and my family
6 has been in this business for years, when it
7 fireable, when it's airborne. So I'm sure
8 most or all of the business that are in
9 there are very careful about asbestos just
10 because of the lawsuits as some of our
11 attorneys know here.

12 I'm glad we finally got something
13 going because bigger isn't always better and
14 the NHL is going to be the NHL. They're
15 looking for revenue themselves. So I will
16 take what they can get.

17 If there were no Islanders, being
18 a die-hard Ranger fan, I can live with it.

19 DEPUTY COUNTY EXECUTIVE WALKER:
20 You can tell you're not running for office
21 anymore. Could be Chris Christie he's a
22 Dallas Cowboy fan now.

23 LEGISLATOR BELESI: Next question
24 brought up is the traffic surveys. I know
25 they were very difficult with New York

Economic/Community Development 9-9-13

2 State, especially on a major road like
3 Hempstead Turnpike. Who's doing that study?
4 Are we doing that study?

5 DEPUTY COUNTY EXECUTIVE WALKER:
6 Yes, we are. And Aryeh Lemberger who is
7 with us as well today, he's done tremendous
8 work in this, we have it being done by --
9 he's heading it from the county side. It's
10 being done by Cameron Engineering and also I
11 think it's Parsons Brinkerhoff, I think
12 they're involved. And they are working on
13 it. They have been working on it for a long
14 time and we're finally at a point where we
15 actually have some answers to how we are
16 going to go forward.

17 LEGISLATOR BELESI: The other
18 question I have is security at the Coliseum.

19 DEPUTY COUNTY EXECUTIVE WALKER:
20 It will be handled as it is outside by
21 Nassau County Police Department as we do
22 today. That remains the same, and that will
23 remain the same.

24 LEGISLATOR BELESI: The other
25 question I have, since it's going to be, we

Economic/Community Development 9-9-13

2 expect it to a very busy venue with a lot of
3 pedestrian traffic and a lot of traffic, I
4 think the building should think about the
5 contractors also putting maybe a substation
6 in there because any of the police officers
7 who ever worked details down at the
8 Coliseum, it was a zoo. If we could have a
9 small security shack or something down there
10 for the police officers I think it would be
11 a positive sign. That's all I have. Thank
12 you.

13 CHAIRWOMAN FORD: Legislator
14 Muscarella.

15 LEGISLATOR MUSCARELLA: I'm
16 enjoying the presentation. I just have one
17 question. A number of years ago, the
18 proposed developers refused to actually
19 commit that they were going to use union
20 employees for the construction and then for
21 the actual operation.

22 Do we have that in the contract
23 for the lease?

24 DEPUTY COUNTY EXECUTIVE WALKER:
25 Yes. Using unionized labor. In fact, we

Economic/Community Development 9-9-13

2 had many union leaders that were here
3 earlier with us. They fully endorsed the
4 selection of NEC and have worked with them
5 during the construction of the Barclays
6 Center and we are thankful that they have
7 agreed to that as well.

8 LEGISLATOR MUSCARELLA: That is
9 within the lease?

10 DEPUTY COUNTY EXECUTIVE WALKER:
11 Yes.

12 LEGISLATOR MUSCARELLA: Thank
13 you.

14 MR. LESTER: Forest City builds
15 all union as well.

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 Forest City, the whole company builds all
18 union.

19 LEGISLATOR MUSCARELLA: And the
20 operations after the lease is --

21 DEPUTY COUNTY EXECUTIVE WALKER:
22 Yes.

23 LEGISLATOR MUSCARELLA: Great.
24 Thank you.

25 CHAIRWOMAN FORD: Legislator

Economic/Community Development 9-9-13

2 Scannell.

3 LEGISLATOR SCANNELL: Thank you.
4 Legislator Belesi, I'm a Ranger fan too,
5 without a doubt. Two people not running are
6 Ranger fans. I'm not running either, I
7 don't have to worry, for the first time in
8 14 years. That's for sure. So I'm with you
9 100 percent.

10 DEPUTY COUNTY EXECUTIVE WALKER:
11 I never seen you too smiling as much. I
12 don't run either, I understand.

13 LEGISLATOR SCANNELL: You did it
14 for many years.

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 100 percent.

17 LEGISLATOR SCANNELL: I care
18 about the Islanders too. I'm a Ranger fan
19 but I do care and we just want to know if
20 there is any way to negotiate more than the
21 four games for the Islanders.

22 DEPUTY COUNTY EXECUTIVE WALKER:
23 We have and will continue to have those
24 discussions. Right now we have the
25 commitment for the four which we felt was

Economic/Community Development 9-9-13

2 important to have some type of Islanders
3 field here. We should guarantee Islander
4 Ranger games, then everybody would be happy.

5 LEGISLATOR SCANNELL: Thanks,
6 Rob.

7 DEPUTY COUNTY EXECUTIVE WALKER:
8 Thank you.

9 CHAIRWOMAN FORD: Legislator
10 Troiano.

11 LEGISLATOR TROIANO: I just want
12 to say that my father actually played for
13 the Rangers, so I got you guys trumped. And
14 I am running for reelection.

15 I just want to go back to the
16 questions my colleagues to the left had
17 about the financing and the outside of the
18 five years.

19 Was that same section included in
20 the agreement as negotiated with MSG?

21 DEPUTY COUNTY EXECUTIVE WALKER:
22 It was slightly different, but, go ahead.

23 MR. KLEIN: There was a similar
24 time frame in which all approvals and other
25 requirements had to occur for construction

Economic/Community Development 9-9-13

2 commencement. There they actually had three
3 and a half years subject to force majeure or
4 the same five year date.

5 LEGISLATOR TROIANO: I'm sorry.
6 I couldn't hear you.

7 MR. KLEIN: The Madison Square
8 Garden lease also provided for a five year
9 drop dead date for all required approvals to
10 be in place, three and a half years subject
11 to force majeure or the five years.

12 LEGISLATOR TROIANO: Can we talk
13 a little bit about the nature of the
14 guarantee of the payments to the county?

15 MR. MEYER: Sure. There's not a
16 guarantee from Forest City Enterprises on
17 the rent itself. The remedy for that under
18 this lease would be for the county to give
19 NEC notice and, if the rent was not paid, it
20 would be a default under the lease and we
21 would take any of the renovations or the
22 Coliseum improvements as a result of that.

23 So, effectively, that's the
24 guarantee to the county that if they did not
25 pay that minimum rent payment, they would

Economic/Community Development 9-9-13

2 default under the lease.

3 LEGISLATOR TROIANO: What is the
4 entity that's making payments to the county?

5 MR. MEYER: It would be NEC. It
6 would be Nassau Events Center.

7 LEGISLATOR TROIANO: How would
8 they capitalize?

9 MR. LESTER: They would be fully
10 capitalized for the entire project cost at
11 the time of commencement of construction.

12 So, again, you complete the
13 construction, you have a completion guaranty
14 from Forest City, and then, to the extent
15 the rent isn't paid, the county would take
16 back the property.

17 LEGISLATOR TROIANO: In the
18 meeting some of us had with Forest City
19 representatives there was a guarantee of the
20 payments, so I just want to make sure that
21 we are both --

22 MR. LESTER: I wasn't in that
23 meeting but there's a completion guaranty,
24 so to insure that the project is completed
25 and, then again, once it's completed, there

Economic/Community Development 9-9-13

2 isn't a guarantee of the rent stream itself,
3 but the county would be able to take back
4 the property. So it's \$4 million on \$100
5 million project on the Coliseum and \$400,000
6 on the -- \$130 million retail project, so --

7 LEGISLATOR TROIANO: Thank you.

8 CHAIRWOMAN FORD: Minority Leader
9 Abrahams, please.

10 LEGISLATOR ABRAHAMS: Thank you,
11 Chair Ford. How are you, gentlemen?

12 I just have a few questions. I
13 wanted to pick up and piggyback a little bit
14 on the points that Legislator Solages and
15 Legislator DeRiggi-Whitton made.

16 One of the concerns we do have is
17 tied to the five year option. But I didn't
18 hear anything in regards to a response on
19 whether or not that was negotiable.

20 If the county, I understand, in
21 construction, giving Forest City the ability
22 or NEC the ability to have a five year
23 window to seek financing, however, I do
24 understand that they will be receiving
25 payments after two years, is that to shorten

Economic/Community Development 9-9-13

2 that window from five years to X years, is
3 that even something that the county thought
4 about or is negotiable or is it possible for
5 it to be reopened?

6 DEPUTY COUNTY EXECUTIVE WALKER:
7 I just can't give you that answer today. I
8 understand what you are asking. We just
9 can't give you that answer today. We will
10 be glad to talk to these guys and see if
11 there is.

12 LEGISLATOR ABRAHAMS: Okay. And
13 the reason why, and I think from the
14 standpoint of the county, I truly believe
15 that the county is going to start receiving
16 payments after two years. The county is
17 protected. However, the folks that have
18 given up their time, their sweat, their
19 blood, the unions, and the labor can't wait
20 five years. It would be great to give them
21 a guarantee that they're going to be back to
22 work sooner than five years. I can't tell
23 them that with confidence at this time.

24 DEPUTY COUNTY EXECUTIVE WALKER:
25 We agree with you.

Economic/Community Development 9-9-13

2 LEGISLATOR ABRAHAMS: So I think,
3 from that standpoint, I'm glad to see that
4 the county is going to be protected and
5 receiving payments starting in August 2015,
6 but let's give labor and unions and people
7 that need it the most that work here in the
8 county, that pay taxes in the county the
9 opportunity, let's give them that guarantee
10 too.

11 The next thing I do want to talk
12 about, and this is --

13 MR. LESTER: Do you mind if I
14 interrupt?

15 LEGISLATOR ABRAHAMS: I'm sorry,
16 Mr. Lester.

17 MR. LESTER: Yes. I just wanted
18 to respond to your last point if that's all
19 right?

20 LEGISLATOR ABRAHAMS: Sure. Go
21 right ahead.

22 MR. LESTER: I think that the
23 intention is to start construction after two
24 years and then, to the extent that there's a
25 force majeure, like a delay in the

Economic/Community Development 9-9-13

2 approvals, it would extend to five years.
3 The five years is really an outside date
4 where the contract can no longer be extended
5 but extended. But we need to review the
6 force majeure to see, you know, what moves
7 extends the date, but I believe the date is
8 two years from the lease effective date that
9 we need to start.

10 LEGISLATOR ABRAHAMS: Two years
11 from?

12 MR. LESTER: Basically the time
13 the legislature approves --

14 LEGISLATOR ABRAHAMS: From the
15 time we approve. So if we approved it, say,
16 for example, on the 23rd, it would be two
17 years from that date?

18 MR. LESTER: Right.

19 LEGISLATOR ABRAHAMS: All right.
20 Well, that's something that we would like to
21 be able to be informed on.

22 Mr. Lester, it's two years from
23 the time that we would need -- it's our
24 understanding it's two years plus any
25 additional time that you would need for any

Economic/Community Development 9-9-13

2 approvals from the Town of Hempstead, or
3 zoning, or anything along those lines?

4 MR. LESTER: That's right. But
5 if the approvals go smoothly which we hope
6 they will, or we get through within the two
7 year period, then we have to start in two
8 years, not five years.

9 LEGISLATOR ABRAHAMS: I see.

10 The next bunch of questioning is
11 tied into the future development as well as
12 how it connects with the county's entire Hub
13 plan. I guess that would be more of a
14 question for Mr. Walker.

15 As we know, Mr. Walker, I see it
16 every day, I see the construction of the ice
17 rink that's being built at Eisenhower as
18 well as some of the other ideas that have
19 been talked about at Mitchell Field and
20 Museum Row.

21 How does the county or how does
22 the administration envision tying this
23 project in its completion to those projects
24 that are also centered around the county?

25 DEPUTY COUNTY EXECUTIVE WALKER:

Economic/Community Development 9-9-13

2 Which is probably the most important. We
3 have already started -- work that actually
4 started back in 2010, 2011. Actually maybe
5 even started earlier. In terms of the
6 linkage of all the facilities in and around
7 the Hub together to make it more of an area
8 by which you have walkability, walk, bike,
9 and things of that nature, we are actually
10 working right now, as I said before, if
11 you've gone down Merrick, you can see the
12 work along the whole border of the park with
13 the new bike lane that's been put in.
14 They're going to continue to link that to
15 Mitchell Field, Mitchell Park, the museums,
16 the college. It already goes around Hofstra
17 and continue to link those.

18 We just had a recent meeting with
19 the state that will continue all the way
20 down Salisbury Park Drive and we're actually
21 trying to look and see how we get the
22 linkages to the parkways and things of that
23 nature.

24 But, more important here with
25 this is, this is a stand-alone project that

Economic/Community Development 9-9-13

2 does not require -- I should say we do not
3 believe it requires it, again, the Town of
4 Hempstead as the final arbiter related to
5 what development needs to be done in terms
6 of parking requirements and things of that
7 nature. So it's the first step towards
8 having the ability -- and I know your
9 constituents, some of the issues that they
10 face.

11 We actually met with some of the
12 civic leaders just about people parking on
13 their streets during concerts and it just
14 doesn't work. So how we can make sure that
15 that doesn't occur and things of that nature
16 by making more of a destination attraction
17 and linking all those other facilities
18 together in a more comprehensive fashion.

19 I think the development of the
20 bus rapid transit is crucial. I think we
21 have great -- between Westbury, Carle Place,
22 Mineola, just in terms of people getting off
23 at those train stations and being able to
24 either walk, if they so choose, or being
25 able to get on a bus in a nearby area is

Economic/Community Development 9-9-13

2 crucial. And the same holds true with the
3 Village of Hempstead. I think it's
4 important for us and that's why I think
5 Mr. Monti plays a pivotal role because of
6 his ability and what's going to transpire in
7 the Village of Hempstead which we look
8 forward to working with him and this
9 project, because you really tie those
10 projects together.

11 How we can assist with sewage,
12 because that's a major problem that the
13 village has, poor economic development,
14 which I'm sure that you know better than I
15 do, they really can't move forward with any
16 type of development unless we figure out a
17 way to handle the waste. We believe we have
18 some opportunities there to tie in with the
19 work that we are going to do here to save
20 the village and/or people money, that we can
21 work together on really doing a
22 comprehensive plan utilizing the whole
23 entire area.

24 So I think it extends beyond the
25 Hub into the village. Again, we own most of

Economic/Community Development 9-9-13

2 the property around the whole facility as
3 you know. So it's just linking it together
4 in a lot of different fashions.

5 LEGISLATOR ABRAHAMS: Mr. Walker,
6 just a quick question before I move into
7 some of the negotiations with some the event
8 types that we talked about before but, to
9 your knowledge, or maybe this might be a
10 good question for Mr. Lester.

11 Is there any retail that's going
12 to be coming in that's going to take away
13 from some of the small businesses in the
14 surrounding areas of East Meadow and
15 Uniondale already?

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 I don't believe so. I think that one of the
18 most important facets there is actually
19 we're going to bringing in more shows. The
20 people that are going to be utilizing it
21 there. And, Jim, maybe he can answer a
22 little bit on what historically has happened
23 in facilities that have done this.

24 But we know first, you look
25 around, and I'll take in Philadelphia, what

Economic/Community Development 9-9-13

2 they built in various facilities, the people
3 that went there are going to the games and
4 they're going to restaurants and things of
5 that nature. The Yankees, CitiField, you're
6 going to, you know, I forget, I will mention
7 both the Yankees and the Mets so I don't get
8 in trouble, but the things that they built
9 around the stadium that added, they haven't
10 taken away. It's enhanced. The extra
11 events will bring more economic activity to
12 the facilities.

13 We are working right now with the
14 chamber of commerce as well, they reached
15 out and they're meeting with the county and
16 the local chamber of commerce to make sure
17 we have a good working relationship with
18 them so the right development goes in there.
19 So, it's exactly what you said, it doesn't
20 hurt.

21 We have met with many of those
22 businesses already. They rely on the
23 Coliseum, so the last thing they want to see
24 is the Coliseum close. They'll rely on, if
25 you have 300 events to compare to 130, they

Economic/Community Development 9-9-13

2 should prosper. And that's what the goal is
3 in mind.

4 Since enjoying sports, and I do,
5 you just look at all the surrounding sports
6 and entertainment facilities now, they
7 haven't hurt the local economy, they've
8 actually always have helped, making sure the
9 hotels are booked. I think we're fortunate
10 where we don't have enough hotel rooms in
11 Nassau County but more are being built.
12 And, by them staying in the hotels, they're
13 going to be going to the local restaurants
14 and things of that nature. So I look
15 forward to it as an enhancement.

16 And the billions of economic
17 development, and, as everyone said, you
18 really can't -- everything is a guesstimate.
19 You can say it's \$10 billion, \$12 billion,
20 \$15 billion, we know it's in the billions,
21 and, more importantly, you see where it's
22 worked in other places.

23 LEGISLATOR ABRAHAMS: Like I
24 said, the last thing we would want is to do
25 something that wouldn't compliment the

Economic/Community Development 9-9-13

2 existing businesses already. Those folks
3 have been tirelessly waiting through project
4 after project and we wanted to make sure we
5 compliment whatever they do.

6 DEPUTY COUNTY EXECUTIVE WALKER:

7 You're 100 percent right. I agree.

8 LEGISLATOR ABRAHAMS: My next
9 line of questioning goes into some of the
10 event type and I just -- I guess it would be
11 directed to Mr. Lester or anyone who is
12 compelled to answer the question.

13 It ties into some of the language
14 that we are seeing in terms of some of the
15 events that are going to come into the
16 Coliseum. It's been discussed, six Islander
17 games, one Net game, minor league hockey.

18 It was my understanding, I know I
19 had a meeting with Ms. Ashley Cotton with
20 Legislator Troiano and Mr. Ratner some time
21 last week and there was some discussion
22 about I guess the minor league hockey team
23 is owned by the New York Islanders, am I
24 correct in saying that?

25 DEPUTY COUNTY EXECUTIVE WALKER:

Economic/Community Development 9-9-13

2 Yes.

3 LEGISLATOR ABRAHAMS: Is there
4 any agreement language or contractual
5 language that this legislature could
6 anticipate getting before this vote which
7 gives us the assurance that those games will
8 be played at the Coliseum, their home games
9 will be moved to be played at the Coliseum?

10 MR. LESTER: We had a letter
11 indicating Charles' willingness to do that.
12 I think it's been shared and possibly now
13 with the Full Legislature, so we can share
14 that. And, as part of the lease, it
15 provides for the process for executing that
16 deal. So executing the full agreement I
17 think would be tricky by next week. But we
18 do have a commitment from Mr. Wong to do
19 that.

20 LEGISLATOR ABRAHAMS: So that's
21 the bridge 14?

22 MR. LESTER: Correct.

23 LEGISLATOR ABRAHAMS: And that
24 would be you said an intent letter?

25 MR. LESTER: It's essentially an

Economic/Community Development 9-9-13

2 intent letter, but it's nonbinding. We've
3 committed to it in the lease and not doing
4 it is a default.

5 LEGISLATOR ABRAHAMS: Going back
6 to the events -- and my ultimate concern is
7 obviously that we make sure that we maximize
8 as much revenue for the county as well as
9 maximize the amount of events.

10 Currently the Coliseum does
11 roughly about 150, 180?

12 DEPUTY COUNTY EXECUTIVE WALKER:
13 Probably more like 120 now.

14 LEGISLATOR ABRAHAMS: 120 now?

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 130 max.

17 LEGISLATOR ABRAHAMS: Wow.

18 DEPUTY COUNTY EXECUTIVE WALKER:
19 We do about 800,000 spectators.

20 LEGISLATOR ABRAHAMS: So roughly
21 about 120 events. And we're basically
22 saying we are going from 120 to 309?

23 DEPUTY COUNTY EXECUTIVE WALKER:
24 They have commitments for commitments for
25 200 events already.

Economic/Community Development 9-9-13

2 LEGISLATOR ABRAHAMS: I'm sorry?

3 DEPUTY COUNTY EXECUTIVE WALKER:

4 They have commitments for 200 events as we
5 speak today.

6 LEGISLATOR ABRAHAMS: Can you
7 provide us with a list of those events?

8 MR. MEYER: Sure. We have
9 letters from various promoters to do it.

10 MR. LESTER: I think, just to
11 expand on that, one thing to think about
12 also that it's important that it's to drive
13 the people through the building, so another
14 way that we think about it is driving 1.2
15 million people through the building. That
16 drives a lot of the benefits for the county
17 so that's another driver of economics for
18 the county. So if it's not 300 and it's
19 250, but you're getting larger events,
20 that's really the key.

21 LEGISLATOR ABRAHAMS: Are there
22 coliseums or are there places that you can
23 tell us where they're doing 309 events in
24 this country and there's no major sporting
25 franchises in those complexes?

Economic/Community Development 9-9-13

2 MR. LESTER: I think most that
3 are doing this number of events have a major
4 tenant. We do think of the Sound-Tigers as
5 being an anchor tenant doing 38 events.
6 It's also worth noting that there are
7 approximately 83 shows which are parking lot
8 related events, things like the Big Apple
9 Circus or Cirque de Soleil. So the way we
10 really think about it is 220 inside the
11 building and about 80 outside.

12 LEGISLATOR ABRAHAMS: My next
13 line of questioning is tied to a request for
14 legislative budget review. I don't know if
15 an analysis of this proposal was requested
16 already, but, if it wasn't, then at this
17 time I would like to request it, and I know
18 it's going to be said next, if you could
19 share your findings with both sides, that
20 would be beneficial. I don't know if you
21 have and you're working on one. Now that
22 the item has been clocked in and we're ready
23 to go in.

24 MR. CHALMERS: We will be doing
25 an analysis on this lease.

Economic/Community Development 9-9-13

2 LEGISLATOR ABRAHAMS: Will your
3 analysis include this lease and the MSG
4 lease or just this lease?

5 MR. CHALMERS: Just this lease.

6 LEGISLATOR ABRAHAMS: Can you be
7 inclusive of the MSG lease?

8 MR. CHALMERS: We just got a copy
9 of the MSG lease. We could double-check the
10 financial and we will do a quick comparison,
11 but we will not be delving into it in depth.

12 LEGISLATOR ABRAHAMS: If you can
13 give us the best you can, a comparative
14 analysis, that would be great.

15 MR. CHALMERS: Okay. Shouldn't
16 be a problem.

17 LEGISLATOR ABRAHAMS: Do you
18 anticipate having that done for the
19 September 23rd meeting?

20 MR. CHALMERS: Yes.

21 LEGISLATOR ABRAHAMS: Thank you,
22 Mr. Chalmers. That's it. Thank you, Chair
23 Ford.

24 LEGISLATOR WINK: Good evening,
25 gentlemen and ladies.

Economic/Community Development 9-9-13

2 I have a few questions. I know
3 that we've covered a lot of ground already,
4 but I heard a great deal discussed about the
5 MSG proposal. I, myself, have never seen
6 the proposal. And I would very much like to
7 see it, forgive me, trust but verify some of
8 the information.

9 One of the threshold questions I
10 have about that proposal is, we know that
11 there's a financing contingency in this
12 lease. Did MSG also request the financing
13 contingency?

14 MR. MEYER: No. They did not
15 require a financing contingency. They
16 offered to finance it themselves. They also
17 had built in the ability to finance the
18 project, but they said that they could
19 finance it.

20 LEGISLATOR WINK: Doesn't that
21 have a certain value to it? I mean,
22 wouldn't it seem to me that, as a threshold
23 matter, after you throw out all the
24 differences between those two proposals,
25 that seems to be a pretty significant

Economic/Community Development 9-9-13

2 difference between these proposals and, yet,
3 it wasn't included in this discussion?

4 MR. MEYER: Right. I understand
5 your concern on that. As I indicated
6 previously, PFM and KPMG have reviewed the
7 finances of both the proposers on this and
8 they felt confident as expressed in that
9 report this is what Forest City Enterprises
10 does on a daily basis, a \$10 billion company
11 and that, as Mr. Lester indicated
12 previously, that they have the same
13 financing and they do a significant amount
14 of financing, and that they are capable and,
15 based on those reports, which I'm not sure
16 they were shared with the Office of
17 Legislative Budget Review, that Forest City
18 Enterprises and NEC is perfectly capable of
19 obtaining financing on this project.

20 LEGISLATOR WINK: Apropos that,
21 and I am going to request also a copy of the
22 analysis done by PFM and KPMG on both these
23 proposals, I would very much like to see
24 that.

25 It just seems to me though that

Economic/Community Development 9-9-13

2 that has a certain monetary value as well
3 the fact that there's no contingency. I'm a
4 real estate lawyer in private practice which
5 I rarely get to do these days it seems, but,
6 when I do, I know that the buyer you want is
7 the buyer who is buying without a mortgage
8 contingency, for example.

9 There is a value to that. There
10 is a commitment that comes with that, and
11 apropos commitments, by the way, are the
12 letters expressing confidence on the part of
13 Goldman Saks and Guggenheim. Are they
14 letters of commitment or are they letters of
15 intent or expressions of interest or where
16 do they fall in terms of the --

17 MR. LESTER: They're not binding
18 financing because we don't have a guaranteed
19 price contract. We haven't sold the naming
20 rights. So there are other things that we
21 need to undergo, so they're not binding.

22 LEGISLATOR WINK: Are they also
23 publically accessible, are they available to
24 us as well?

25 MR. LESTER: Sure.

Economic/Community Development 9-9-13

2 LEGISLATOR WINK: I would like to
3 see them as well. It just strikes me that
4 I'm a little upset we didn't discuss, what I
5 think is a threshold issue, of -- and I
6 understand, by the way, that the advisory
7 panel that the county put together, in fact,
8 came out of the two proposals split in large
9 measure because of the lack of the
10 contingency on the part of MSG. So it seems
11 to me that that should have been something
12 that should have been addressed up front and I'm
13 a little upset that it wasn't.

14 MR. KLEIN: Legislator Wink, just
15 to address your point there.

16 The lack of a financing
17 contingency in the MSG proposal was an
18 important point that the evaluation
19 committee and the business advisory council
20 considered when reaching their conclusions
21 and their recommendation to the county
22 executive.

23 So I don't want it to seem that
24 that was kind of put to the side and not
25 really considered. That was a strong

Economic/Community Development 9-9-13

2 enhancement to the MSG proposal and,
3 notwithstanding, the other -- based upon the
4 other factors including the direct financial
5 terms, et cetera, the evaluation committee
6 thought the NEC proposal was a better option
7 for the county to move forward with.

8 LEGISLATOR WINK: That may be at
9 the end of the day but that certainly wasn't
10 what was presented here today initially and
11 it wasn't what was presented in Newsday.
12 There was never a discussion of the
13 contingency which is what I believe the
14 elephant in the room as it were.

15 Because whatever you say about
16 the Lighthouse, we knew the potential
17 ramifications of the recession was the
18 drying up of financing. As much as we want
19 to think we are in full recovery mode now,
20 there is no guarantees of that.

21 So my concern is, do we find
22 ourselves in a circumstances where years
23 down the road the financing dries up as
24 well. The MSG proposal, with no
25 contingency, has to go forward. The Forest

Economic/Community Development 9-9-13

2 City proposal with contingencies may not go
3 forward.

4 So, be that as it may --

5 MR. MEYER: Can I just address
6 that one more point?

7 LEGISLATOR WINK: Sure.

8 MR. MEYER: Upon a full review
9 of the risks and the risk tolerance of MSG
10 and we take your point very seriously, when
11 you take a look at the overall risk posture
12 of Madison Square Garden, you are pulling
13 one thing, one item out and pointing that
14 out, and we understand that. If you take a
15 look in the Office of Legislative Budget
16 Review, review that, and you take a look at
17 the overall risk posture of Madison Square
18 Garden, you'll see there are numerous
19 elements and numerous items and factors
20 throughout the agreement which, in the
21 balance, the favor is tipped towards NEC.
22 One consideration clearly was financing. If
23 you take at look at the risk posture of MSG
24 and other items that they agreed to and
25 termination and the overall rental

Economic/Community Development 9-9-13

2 structure, obviously the favor balanced
3 towards NEC.

4 But there are numerous items and
5 we can meet with you and point them out or
6 through the Office of Legislative Budget
7 Review, we can point out all the significant
8 differences between the two proposals.

9 LEGISLATOR WINK: I would love to
10 have that opportunity, certainly after I get
11 the backup information so I can do an
12 educated analysis myself. But I would
13 appreciate that opportunity.

14 Speaking of risk analyses or risk
15 assessment, in a matter of speaking, as I
16 understand it, the lease commencement date
17 is August 1st, 2015 unless the county is
18 unable to deliver the premises, in real
19 estate parlance, vacant and room swept, but,
20 in reality, it's, actually, we need to
21 deliver it vacant, as I understand it; is
22 that correct?

23 MR. KLEIN: Yes, that's correct.

24 LEGISLATOR WINK: And, yet, one
25 of the provisions in here deals with the SMG

Economic/Community Development 9-9-13

2 lease which is certainly another elephant in
3 the room, as it were.

4 I know in 2007 Lighthouse
5 Development Group insinuated itself into the
6 relationship of SMG, I think to our
7 advantage maybe, but, certainly, we now have
8 a third party in this arrangement which I'm
9 wondering what impact does that have on our
10 ability to actually meet the lease
11 commencement date.

12 If it's something we don't
13 directly control, or we only partially
14 control, getting the SMG lease out of the
15 way so that everything commences August 1,
16 2015, what impact does the SMG lease and the
17 Lighthouse involvement in that lease do to
18 our lease commencement date?

19 MR. MEYER: Not sure with the
20 Lighthouse, but that lease with MSG
21 terminates on July 31st, 2015 as well, so
22 they correspond.

23 LEGISLATOR WINK: I know we are
24 all attorneys here, God knows, but there's
25 nothing in that lease that would provide an

Economic/Community Development 9-9-13

2 option period or provide an extension period
3 or anything of that nature?

4 MR. MEYER: Right.

5 LEGISLATOR WINK: So as of August
6 1st, 2015, SMG is no longer affiliated with
7 Nassau County and --

8 MR. MEYER: That's correct.

9 LEGISLATOR WINK: Are there
10 potential entities or lease holds or any
11 kind of license agreements or anything that
12 could actually impact the August 1st, 2015
13 lease commencement date?

14 DEPUTY COUNTY EXECUTIVE WALKER:
15 Not that we see, no.

16 MR. KLEIN: Those are the only
17 two agreements, the SMG lease and the NY
18 Islander's lease that the county has for the
19 property and they both expire, as we said,
20 and all options and renewal, any possible
21 extensions have all been exhausted for both
22 leases.

23 LEGISLATOR WINK: Okay. More
24 generally, I guess, my real question is, I
25 appreciate Mr. Ratner, I appreciate Forest

Economic/Community Development 9-9-13

2 City, and I appreciate the success story
3 they are making out of the Barclays Center.

4 My real fundamental concern
5 though is that at the end of the day, the
6 interest in the Barclays Center is supreme,
7 I think, to Forest City.

8 If and when there comes a point
9 when the leasehold with the Coliseum could
10 be in conflict with the best interests of
11 the Barclays Center, who wins? I think I
12 know the answer to that. I hope it's not
13 either/or situation but we're just coming
14 out a recession where it pretty much became
15 dog eat dog. We're still not where we were
16 before. Financing, credit, all of that is
17 still very tight, relatively speaking, prior
18 to 2008, and if comes down to a question of
19 we're making an effort to re-brand this but,
20 to a great extent, we can't re-brand it in
21 the image of Barclays if we're now the
22 competitor of Barclays.

23 DEPUTY COUNTY EXECUTIVE WALKER:
24 I agree with you 100 percent because this is
25 the same problem I had with both looking at

Economic/Community Development 9-9-13

2 MSG and Barclays, for lack of a better word,
3 NEC, because they are both competing, I
4 guess -- it's no different if we selected
5 MSG than if we selected Barclays, with the
6 one exception --

7 LEGISLATOR WINK: But, Rob, if I
8 may, clearly, MSG is a brand unto itself.

9 DEPUTY COUNTY EXECUTIVE WALKER:
10 Yes.

11 LEGISLATOR WINK: And it's not a
12 brand in the making. The Barclays Center is
13 very much still a brand in the making.

14 The Coliseum will be a brand
15 that's got to be remade because of the
16 reputation of the thing that we are already
17 starting from now.

18 DEPUTY COUNTY EXECUTIVE WALKER:
19 I agree with you.

20 LEGISLATOR WINK: So we're almost
21 starting from a deficit there, but my
22 question was, and one of the fundamental
23 questions I guess between MSG and Forest
24 City was, we've got a tried and true brand
25 in Manhattan, and it's always going to be a

Economic/Community Development 9-9-13

2 mecca, always going to be a draw, always
3 going to be there.

4 We are dealing with something
5 right now that's still very much in it's
6 relative infancy and hopefully we'll be
7 gangbusters going forward, but, at the same
8 time, while the attention to detail is
9 there, will it be replicated here?

10 DEPUTY COUNTY EXECUTIVE WALKER:
11 That was one of my main concerns going in
12 and, as I said, having to enjoy sports and
13 visiting many of these facilities, one of
14 the things that we looked at this proposal
15 and the committee did was the wide range,
16 and you went through all those different
17 programming, the wide range of programming
18 that they brought to the table from boxing
19 to NCAA sports to Live Nation. It was a
20 whole host of real record setting people in
21 the industry.

22 On top of that is the downsizing
23 to 13,000 seats. We are not competing with,
24 per se, them, because they are going to a
25 smaller venue. We are going to have smaller

Economic/Community Development 9-9-13

2 concerts that they don't do there. You just
3 see the numbers of people that they actually
4 get, and they can talk about their program
5 much better than I can.

6 Next week, when both Bruce Ratner
7 himself and Brett, I always say his name
8 wrong, Yormack, I hope he's not listening,
9 but what he has done, and I say this to
10 anybody that I've met, what he's done in
11 terms of branding with his team, obviously
12 he's not by himself, what they have branded
13 here they will be here as we continue this
14 process, and everything that you've said I
15 don't disagree with, and I think it's all
16 important and I think we will look at some
17 of those things on how we might be able to
18 tighten some wording up.

19 Obviously they're listening to it
20 too, very important. You're going to see a
21 team that really has branded something,
22 already has plans in mind on how they brand
23 this. I don't think we'll ever be the step
24 child to Barclays Center. I don't believe
25 it. I hope I'm right at the end of the day.

Economic/Community Development 9-9-13

2 I think I am.

3 I said what they have done with
4 Barclays is why their numbers are what their
5 numbers are because of the way their
6 business model is. I hope you get a chance,
7 that he'll answer those questions of you
8 because, as I said, I've never met someone
9 like that, what he has done, the vision that
10 they have had.

11 I personally, not that I was on a
12 selection committee, I personally believe
13 that this was the right people, no knocking
14 the MSG proposal. The MSG proposal was very
15 good. I think they would have done very
16 well too. The finances just didn't add up
17 as far as we were concerned -- or I should
18 say the committee was concerned. Obviously
19 we stand by and support their decision.

20 A lot of vetting went into this
21 process, not just about finances but the
22 ability for it to take place, what it will
23 actually be, what the Coliseum will look
24 like, what type of programming will be
25 there. The adding of the Disney Institute

Economic/Community Development 9-9-13

2 was a home run.

3 If you see the guest services, if
4 you've been at Barclays, I've never been
5 there myself, but the guest services
6 everyone just raves about. People just --
7 you walk up there and they're going to find
8 your way where you need to go, all those
9 things add up, the Yankees adding to the mix
10 with Legends. The Yankees and Dallas
11 Cowboys formed Legends hospitality and the
12 food service if you've been at Yankee
13 Stadium, it's phenomenal.

14 I actually thought I ran into
15 your brother once because he's the exact
16 look alike that actually works at Yankee
17 Stadium.

18 LEGISLATOR WINK: My brother is a
19 lot better looking, believe me.

20 DEPUTY COUNTY EXECUTIVE WALKER:
21 When I went up to him, I almost said, Hi
22 Wayne.

23 LEGISLATOR WINK: I can tell you
24 this. I can tell you first hand that I had
25 occasion just in the last several months to

Economic/Community Development 9-9-13

2 see an Islander game at the luxury boxes
3 there and to see a Nets game at the end of
4 the season. There is no comparison between
5 the facilities, right down to -- not to
6 offend anybody, but at the Coliseum we were
7 asked to participate in a 50-50 raffle,
8 literally to buy tickets. At the Barclays,
9 it's was an entirely different experience.

10 DEPUTY COUNTY EXECUTIVE WALKER:

11 You have to buy them because you feel
12 embarrassed if you don't buy them. I
13 understand. That's why I don't go.

14 LEGISLATOR WINK: It was an
15 amazing distinction between the two.

16 Let me leave you with one closing
17 thought on this. It's going to take a lot
18 to re-brand this Coliseum.

19 DEPUTY COUNTY EXECUTIVE WALKER:

20 Definitely.

21 LEGISLATOR WINK: A paint job and
22 a new facade is not enough. I think the
23 best way for you to re-brand this Coliseum
24 is to commit to bringing the Islanders back
25 here more than six games a year. Make this

Economic/Community Development 9-9-13

2 their home. That will guarantee an anchor
3 tenant, that will guarantee success of this
4 Coliseum, and, certainly the Barclays Center
5 will not suffer from the fact that they
6 already have good anchors.

7 DEPUTY COUNTY EXECUTIVE WALKER:
8 We don't disagree with you one bit.

9 LEGISLATOR WINK: So that's my
10 ask in all this, that we recommit to the
11 Islanders being here, where their fan base
12 is and where we can then properly re-brand
13 not only the Coliseum but maybe even the
14 Islanders to a great extent.

15 DEPUTY COUNTY EXECUTIVE WALKER:
16 The county would agree 100 percent with you.
17 I think that's everyone's desire.

18 LEGISLATOR WINK: That's just my
19 request and I'm going to leave you with
20 that. Thank you.

21 CHAIRWOMAN FORD: I just want to
22 go back to once again to comments made by
23 Mr. Ratner at the Coliseum, the day that we
24 announced at the press conference.

25 I think that my feeling from him

Economic/Community Development 9-9-13

2 and all of his partners who are up on the
3 dais with him, their commitment was very
4 sincere. It is their desire to invest in
5 Nassau County by rebuilding the Nassau
6 Coliseum.

7 I think that with their
8 reputation, and I'm going to guess and I'm
9 not trying to look into the pocketbooks of
10 the Ratners, but, basically, what is the
11 worth of this organization that is backing,
12 that is going to be behind this new
13 Coliseum, the overall, is it worth \$5
14 billion --

15 MR. LESTER: It's about a \$10
16 billion of our parent company, and then you
17 have obviously the other partners as well,
18 but that's what Forest City is, and assets.

19 CHAIRWOMAN FORD: And how many
20 other venues or other situations such as
21 this have they entered into based on
22 basically this five year deal? I'm not a
23 lawyer so I'm not going to say all the
24 technical terms.

25 MR. LESTER: This is a typical

Economic/Community Development 9-9-13

2 structure for us. So the financing
3 contingency is something we would typically
4 do. The completion guaranty, it's all sort
5 of the typical structure. Each building is
6 it's own purpose entity. That's how all of
7 our projects work.

8 CHAIRWOMAN FORD: So this is not
9 like the first or second or third time you
10 entered into any type deal?

11 MR. LESTER: No, of course not.
12 I have been personally been at the company
13 for 13 years and worked on several different
14 types of projects from Barclays Center to
15 office to residential. So it's pretty
16 common.

17 CHAIRWOMAN FORD: I guess also,
18 and I think that the concerns raised by the
19 other side of the aisle in regard to the
20 financing and the security of the financing,
21 I guess, we're looking, we don't want to go
22 into this with five years down the road, the
23 next thing we know is that we have a rebuilt
24 Coliseum and no tenants whatsoever. But my
25 guess is, based on the reputation of Forest

Economic/Community Development 9-9-13

2 City Ratner and the other partners that,
3 even though it is very, very tempting to
4 take a look at MSG and say that if they were
5 going to sell finance right from the
6 beginning, that would be something that
7 would definitely tip in the favor of
8 entering into an agreement with them.

9 But my guess is, based on the
10 reputation of the Ratner Group, that this
11 was something that you looked at in making
12 your decision as to which group that you
13 were going to sign the deal with, correct?

14 MR. WALKER: Correct.

15 CHAIRWOMAN FORD: Legislator
16 Jacobs.

17 LEGISLATOR JACOBS: I am not
18 going to repeat anything that was said
19 already, but I'm going to talk to you about
20 the Islanders. I'm going to talk to you
21 that I never was a Ranger fan nor will I
22 ever be no matter where the Islanders could
23 ever be. And, to tell you that there are a
24 lot of women that are Islander fans. But
25 there is not a woman who is an Islander fan

Economic/Community Development 9-9-13

2 that will not tell you they will never be in
3 favor of this unless you are going to do
4 something for the bathrooms in the Coliseum
5 for women.

6 Now, the reason I'm saying this
7 to you -- I told I would make everyone
8 laugh. There is a reason for it though.
9 You're talking about seating and talking
10 about 3,000 less seats, in order to give us
11 more use of the ladies' room that exist
12 which are not sufficient as they are. I am
13 concerned about those 3,000 less seats.
14 Because I believe that we want to keep the
15 seating as it is, if not, enrich upon it.

16 I would like to know, during your
17 renovations, are you just going to update
18 and beautify, or are you going to be
19 innovative and improve upon what is not
20 there right now? There is a very big
21 difference. Sometimes it pays to build next
22 door and build it better and with more
23 thought process than to do the rebuilding to
24 something that already is and has its flaws.

25 I also feel, and you can correct

Economic/Community Development 9-9-13

2 me if I'm wrong because you guys know better
3 than me. Supposedly, the way the Barclays
4 Center is right now, it's awful for hockey,
5 it has to be totally reconfigured. Is that
6 true?

7 MR. LESTER: I wouldn't describe
8 it as awful, but there's some site line
9 constraints on one end of bowl, so there are
10 some practical challenges the way that the
11 bowl is configured.

12 LEGISLATOR JACOBS: Which never
13 makes anybody happy, female or male.

14 Also, I'll you something that I
15 got from somebody.

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 There's more women in the male bathrooms
18 than there are males because there's not
19 enough women bathrooms.

20 LEGISLATOR JACOBS: This is not
21 me, this is a quote I got.

22 I've heard that there is no room
23 at the Barclays Center, the present one, for
24 the Islanders' offices and the day-to-day
25 operations. Is any of that true? Is there

Economic/Community Development 9-9-13

2 room for offices for them right now or is
3 that something that has to be redone at the
4 Barclays Center also?

5 MR. LESTER: Well, you said a lot
6 of things, so I will try to answer them.

7 There are some adjustments that
8 need to be made to the arena. So, when it
9 was originally designed, for example, there
10 was no hockey room for an NHL team. So the
11 hockey room needs to be built, and, in
12 conjunction with that, we'll need to build
13 some Islander offices. We are building a
14 residential building next to the arena
15 there, so I think there is the opportunity
16 to satisfy those requirements.

17 Additionally, I would like to
18 comment on the capacities, both in the NHL
19 and then with some of the major concerts.

20 One of the things we've tried to
21 do, and I will talk about the NHL first.
22 The Barclays Center can accommodate 14,500
23 seats which is obviously smaller, but one of
24 the things that we've tried to do, both with
25 basketball there and here is to have every

Economic/Community Development 9-9-13

2 seat filled. So we would like to do that
3 again at the Nassau Coliseum.

4 A lot of the big events are only
5 selling 13,000 to 14,000 seats. We think
6 it's better to improve the circulation and
7 to remove seats, replace seats with new
8 seats and to have a Coliseum that's full or
9 feels more full.

10 Then, some of the events we are
11 going to bring are smaller, 8,000 to 10,000.
12 So when you have that kind of capacity, the
13 bathrooms and the rest rooms and the
14 concessions work better.

15 LEGISLATOR JACOBS: But does the
16 NHL actually have a requirement for seating
17 when they're hosting an major league, NHL
18 team?

19 MR. LESTER: I think they have
20 something about it being right around
21 14,000, 14,5000. So it does meet the
22 requirement.

23 LEGISLATOR JACOBS: That's a
24 concern for me. All kidding aside,
25 including the ladies' rooms, but the truth

Economic/Community Development 9-9-13

2 of the matter is that I think it's important
3 to see the forest through the trees in this
4 and to realize that we're going to be, and
5 from what I hear around both sides, we are
6 all looking to somehow convince the
7 Islanders, or convince Mr. Wong and
8 Mr. Ratner to bring them back to us to where
9 they belong.

10 You have to understand that I am
11 very, very close to my constituents. I know
12 how they think. It's very important that we
13 are worried about financing as we should be
14 and that we should have that locked down
15 before we give the final approval, but the
16 fans deserve that team. We couldn't do it
17 the way they wanted to do it where the fans
18 would pay for the entire team getting the
19 Coliseum, but we certainly can do something
20 now.

21 So, here's my suggestion as a
22 total layperson. You redo it the right way.
23 You have the right number of seats. You
24 help us by giving Long Island back their
25 Islanders and you give Brooklyn their Nets

Economic/Community Development 9-9-13

2 and you got happy people in Brooklyn and in
3 Long Island. That is my solution and make
4 the ladies happy. It helps. Thank you. So
5 simple.

6 CHAIRWOMAN FORD: I'm with you on
7 that, Judy. Legislator Denenberg.

8 LEGISLATOR DENENBERG: It's now
9 good evening. I want to thank each of you
10 for being here and, particularly, Deputy
11 County Executive Walker for putting this
12 presentation, or having you come and put
13 this presentation together. It's something
14 so important.

15 But first, you heard from
16 everyone, we'd love it if the Islanders
17 stayed even though now there seems to be, a
18 commitment apparently to go to Barclays.
19 How much money does Barclays or does Ratner
20 have to invest in the Barclays Center for
21 hockey? We talked about the changes you
22 have to do, but in terms of a monetary
23 commitment, how much is that?

24 DEPUTY COUNTY EXECUTIVE WALKER:
25 I think it's a tough question to ask because

Economic/Community Development 9-9-13

2 it has nothing really to do with this lease.
3 I don't want to put them on the spot if
4 something that might be confidential
5 agreements and things of that nature that
6 the Islanders may have with Barclays.

7 I get the Islanders. I
8 understand it. We will have discussions.
9 If there is a way to get more Islander games
10 or the Islanders to move back, I think
11 everyone would love it, including the county
12 executive, and more bathrooms and everything
13 else. I'd just rather not get into
14 something could impact -- Jim, unless you
15 want to talk about it?

16 MR. LESTER: I mean, I would
17 prefer to stay away from it if possible.
18 It's a different building, different
19 project.

20 LEGISLATOR DENENBERG: My point
21 is, it's exactly what Mr. Walker was saying
22 I believe to I believe Mr. Wink's questions,
23 you were left with a situation where both of
24 the bidders have competing, or what seems to
25 be, competing interests close by, one in

Economic/Community Development 9-9-13

2 Brooklyn, Barclays, and one in Manhattan,
3 which is MSG.

4 My logic here is we all want to
5 keep the Islanders but it seems like if the
6 current bidder, who makes the decision or
7 would have to negotiate with the Islanders
8 to keep them here, has already negotiated to
9 bring the Islanders to Brooklyn, and is
10 investing money that you don't want to tell
11 me how much, and that's fine, but investing
12 money to make that facility compatible with
13 hockey, and the current facility, Barclays,
14 has 14,500 seats and we're going to only
15 have 13,000, seems like the commitment is
16 already to take the Islanders to Brooklyn,
17 and I don't know if we even have enough
18 seats under NHL rules to keep the Islanders
19 here. Can you answer that?

20 MR. LESTER: We've talked to the
21 NHL about our plan. Obviously we wouldn't
22 want to do anything to prevent the six games
23 so we would want to revisit that. But I do
24 think that 13,000 works for the NHL games.
25 If you look at some of the attendance, we've

Economic/Community Development 9-9-13

2 done this, we had a little bit of this kind
3 of conversation with the Barclays Center,
4 typical arenas were like 20,000, 21,000, and
5 in our capacity, we scaled it down to
6 18,000, because we wanted the building to be
7 full and exciting every night.

8 So it's the same sort of
9 philosophy that we're bringing here. Just
10 to touch on the competition between the
11 Barclays Center and the Nassau Coliseum. We
12 really view Nassau as its own market. Both
13 Nassau and Suffolk had 2.8 million people.
14 You're getting events that play both the
15 Barclays Center and Coliseum already. We
16 think of it as more complimentary than
17 competitive.

18 LEGISLATOR DENENBERG: Just from
19 studying the NHL over the years, when they
20 were supportive of the Lighthouse Project,
21 and when they were with the Islander
22 ownership, really coming here to Nassau and
23 to everyone involved, whether it was the
24 county executive, the legislature, the Town
25 of Hempstead, being supportive of the new

Economic/Community Development 9-9-13

2 arena, it always seemed -- and I don't know
3 if it's protocol or just what they initially
4 look at, but it would seem like they would
5 always want facilities that are in the range
6 of a minimum of approximately 15,000.

7 So I don't know if we're taking
8 ourselves out of any ability to be more than
9 a four game a year venue by having an arena
10 that's so small. I certainly think it's
11 preferable to have a 13,000 person arena if
12 it gives Legislator Jacobs more room and
13 more bathrooms but, in all seriousness
14 though, and if that makes us a better
15 facility, that's what it has to be.

16 But I really think that
17 everyone's desire to keep the Islanders here
18 almost seems contradictory to what the NHL
19 requirements might be, and the own competing
20 interests at Barclays where investing money,
21 and already have a commitment from the
22 Islanders.

23 My question, which came up at the
24 introduction, which is a bigger concern, is
25 there any talk, is there any possibility

Economic/Community Development 9-9-13

2 that the Islanders would go to Barclays
3 earlier, before the 2015 season?

4 DEPUTY COUNTY EXECUTIVE WALKER:

5 No.

6 LEGISLATOR DENENBERG: That's
7 good. Very good. But obviously anything
8 that we can do to get more Islander games
9 here, you've heard it again and again, I'm
10 just not seeing it with what's been going
11 on.

12 DEPUTY COUNTY EXECUTIVE WALKER:

13 They good thing with the Islanders, they
14 average about 11,000 fans, give or take.

15 LEGISLATOR JACOBS: Only when
16 they were not a good team. When they were
17 at their top, you couldn't get a seat.

18 DEPUTY COUNTY EXECUTIVE WALKER:

19 It's like anything. I agree. Hopefully if
20 you're playing well --

21 LEGISLATOR JACOBS: If they pay
22 the money to build a team, they will come.

23 LEGISLATOR DENENBERG: Rob, you
24 and I were certainly there when they were
25 winning those cups in '79 to '83.

Economic/Community Development 9-9-13

2 DEPUTY COUNTY EXECUTIVE WALKER:

3 I have a picture inside the Stanley Cup and
4 I wasn't going to the bathroom.

5 LEGISLATOR DENENBERG: The
6 average attendance in those years, the
7 hay-day, was close to 14,000 I thought.

8 DEPUTY COUNTY EXECUTIVE WALKER:
9 Yes, about 14-5, 15.

10 LEGISLATOR DENENBERG: The
11 average attendance was 14 -- and would sell
12 out, 15-8 or 16,000, whatever it was. I
13 looked it up, in the '81, '82 season, there
14 were, more than half the games were
15 sell-outs.

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 You're right. We understand the Islanders'
18 thing and we will have a conversation with
19 them. Unfortunately or fortunately, the
20 county executive, I think everyone is in
21 full agreement that we want to keep the
22 Islanders here as much as possible.

23 LEGISLATOR DENENBERG:
24 Contingency is a big issue that we're
25 looking at. Everyone raised it. It comes

Economic/Community Development 9-9-13

2 in Section 4 of the agreement so, where the
3 tenant, which is NEC, a requirement would be
4 receiving binding commitments, a form
5 reasonably satisfactory to the tenant for
6 all benefits required and all financing
7 deemed necessary by tenant in order to
8 perform the work.

9 I was going to ask this all
10 along, and that includes IDA financing in
11 accordance with Schedule D.

12 So, under this agreement, what am
13 I to understand not being a real estate
14 attorney or expert in the field, I practice
15 environmental and intellectual property.
16 What is all financing deemed necessary, and
17 what would be a form reasonably satisfactory
18 to the tenant for the financing?

19 MR. LESTER: I think there's two
20 parts here. One is the component of the IDA
21 benefits. So the IDA benefits are the
22 benefits that Mr. Meyer laid out in his
23 presentation which are the full exemption of
24 the real estate taxes on the Coliseum, the
25 mortgage recording tax, the sales tax

Economic/Community Development 9-9-13

2 exemption, and the phase in of the real
3 estate taxes.

4 LEGISLATOR DENENBERG: Schedule
5 D, real estate tax exemption for the
6 premises, phased in flexible pilot for the
7 Coliseum Plaza and the Coliseum Plaza
8 improvements, sales and use tax exemptions
9 for portions of the Coliseum improvements
10 and mortgage recording tax exemption.

11 MR. LESTER: So our overall
12 economic model is based on those benefits
13 and, to the extent they're not available, it
14 becomes problematic. So that's what that is
15 speaking to.

16 Then, on the financing, we need a
17 binding commitment from a lender like
18 Goldman to finance a certain amount of the
19 project costs.

20 LEGISLATOR DENENBERG: So that
21 would be -- but my concern, and maybe the
22 county can answer here, by saying in a form
23 reasonably satisfactory to the tenant and
24 all financing deemed necessary, you talked
25 about with other questions the IDA component

Economic/Community Development 9-9-13

2 which is indirectly then from the county or
3 at a cost to the taxpayer. That's not a
4 cash cost so that's why you say no cash
5 outlay, but it is indirectly a cost to us,
6 Nassau County, the taxpayers. But that
7 financing you said could be from Goldman.

8 At what point -- could it be the
9 interest rate is too high or the points to
10 close are too high that would make NEC deem
11 the financing not satisfactory or not
12 reasonably satisfactory? That concerns me.

13 MR. MEYER: Right. That would be
14 one of the terms you would consider under
15 something like that. It would be if --
16 under the market conditions, if it was a
17 significantly high interest rate, and it
18 wasn't economically feasible for them to
19 enter into the deal, then that's correct.
20 Then it's financing that's appropriate for
21 what they need.

22 LEGISLATOR DENENBERG: So what
23 regulates then if you want to get out at
24 some point saying whatever you get is not
25 reasonably satisfactory, but is there an

Economic/Community Development 9-9-13

2 industry standard that regulates what should
3 be reasonably satisfactory?

4 Because, the way this is written,
5 it's the tenant's sole prerogative here.

6 If it's not financing, all financing deemed
7 necessary, and not reasonably satisfactory.

8 Is there some way to lock you in
9 more?

10 MR. MEYER: Right. It does say
11 reasonably satisfactory to the tenant. But
12 what I would say on that is, we did have, as
13 I indicated previously, PFM and KPMG vet
14 both of the proposers in this instance and
15 indicate, this is what they do every day, a
16 \$10 billion corporation, that they expressed
17 significant confidence that they would
18 obtain the financing necessary to complete
19 this project.

20 So when it comes to terms of --

21 LEGISLATOR DENENBERG: As they
22 would obtain it for NEC?

23 MR. MEYER: For NEC, that's
24 correct.

25 LEGISLATOR DENENBERG: I guess I

Economic/Community Development 9-9-13

2 will wait and see what OLBR shows in
3 accordance with what Legislator Wink had
4 requested, but are we confident that this is
5 relatively, what's the word I'm looking for,
6 standard in the industry?

7 DEPUTY COUNTY EXECUTIVE WALKER:

8 Yes. 100 percent. Standard in the
9 industry. And just want the financing too,
10 and the IDA component and the two proposals
11 and I'm glad that OLBR has the two different
12 leases. The IDA requirements that MSG put
13 on their proposal was the same identical to
14 what NEC has put on, but, also, MSG was also
15 requiring as part of this deal, was to get
16 100 percent IDA zero full tax exemption on
17 the plaza improvements. There's going to be
18 no property tax. They wanted a full
19 exemption on all plaza improvements and also
20 the Coliseum improvements.

21 NEC is just requiring the IDA
22 components for the exemption on the Coliseum
23 property and the plaza improvements. They
24 obviously will go with what they usually do
25 for any type of exemption, if they can get

Economic/Community Development 9-9-13

2 the sales tax exemption and a mortgage
3 recording tax, but they are fully prepared
4 and agree to pay a pilot.

5 LEGISLATOR DENENBERG: So the
6 bottom line of what you're saying is, yes,
7 MSG had none of this financing contingency
8 that I'm asking about, but Schedule D of the
9 IDA assistance --

10 DEPUTY COUNTY EXECUTIVE WALKER:
11 Yes, they wanted it and then some.

12 LEGISLATOR DENENBERG: Was
13 larger?

14 DEPUTY COUNTY EXECUTIVE WALKER:
15 Yes.

16 LEGISLATOR DENENBERG: So,
17 Maurice Chalmers is here.

18 Maurice, is that something that
19 you can look at when you're doing that
20 comparison that was requested of the
21 bottom-line comparison -- I'm sorry, you
22 were asked to do a comparison, not just of
23 this deal, but also take a look at MSG to
24 look at the financing issues. Just to make
25 a comparison. So I think what Mr. Walker

Economic/Community Development 9-9-13

2 says is obviously important to compare what
3 the IDA required commitment was for both.

4 MR. CHALMERS: We could highlight
5 that in our analysis. It shouldn't be a
6 problem. We also have, part of it was
7 highlighted also on the KPMG analysis, so we
8 will bring that up.

9 MR. LESTER: Can I add something?
10 I just also wanted to mention that in order
11 to advance the project, it is important for
12 the company to spend a lot of money,
13 millions of dollars advancing the design,
14 ramping up staff, going out. So we are
15 going to be heavily invested in the success
16 of the project.

17 LEGISLATOR DENENBERG: To just
18 not get into any more of these questions, I
19 think it might have been Mr. Nicolello or
20 Mr. Wink, I can't remember, had asked for
21 the MSG proposal itself as something
22 important.

23 There haven't been that many
24 questions on the plaza improvements versus
25 the Coliseum improvements. Can you just

Economic/Community Development 9-9-13

2 outline the dates that the Coliseum
3 improvement could start, I believe it's
4 August 1st of 2015, but has to start within
5 five years, correct, of the execution of the
6 agreement?

7 MR. LESTER: Right.

8 DEPUTY COUNTY EXECUTIVE WALKER:
9 That's correct.

10 LEGISLATOR DENENBERG: Outline
11 when the plaza improvements, the Coliseum
12 Plaza improvements would have to start and I
13 would assume the plaza improvements are
14 what's on your figure right behind us,
15 that's the restaurants, the ice skating
16 rink, the bowling alley.

17 DEPUTY COUNTY EXECUTIVE WALKER:
18 Our goal in working with NEC and the Town of
19 Hempstead will be to do the Plaza
20 improvements and the Coliseum improvements
21 simultaneously. We believe it's a much
22 better way to go. Obviously we all have to
23 work aggressively on that, that's why with
24 respect to the timeline, 23 months actually
25 is a very tight window, but we believe it's

Economic/Community Development 9-9-13

2 the best way to do it. It will be
3 simultaneous.

4 LEGISLATOR DENENBERG: Is there a
5 contractual commitment as to when it starts,
6 the plaza improvements?

7 MR. MEYER: Yes, and it's the
8 same for both. And it's a 15 month
9 construction period for the Coliseum
10 renovation and 18 months for the --

11 LEGISLATOR DENENBERG: What's the
12 total development that you are committing to
13 aside from, we've discussed the Coliseum
14 improvements again and again, what's the
15 total --

16 DEPUTY COUNTY EXECUTIVE WALKER:
17 About 145,000 square feet, 150,000 square
18 feet. Obviously they will work it out when
19 they do the site plan, but --

20 LEGISLATOR DENENBERG: And the
21 breakdown of that where you have 60,000
22 square feet of dining options, 25,000 square
23 feet recreational, bowling anchor, 60,000
24 movie theatre, 2,800 seat theatre, is that
25 contractually required or is that subject to

Economic/Community Development 9-9-13

2 change?

3 DEPUTY COUNTY EXECUTIVE WALKER:

4 Pretty much that's their programing but it
5 will be site plan approved by the Town of
6 Hempstead. We believe it all falls within
7 the Mitchell Field mixed use zone, but this
8 is a conceptual -- it's a plan that they put
9 in place based upon -- the rent stream is
10 based upon that plan. So as a work just
11 forward with the Town of Hempstead and sign
12 leases.

13 LEGISLATOR DENENBERG: So in the
14 contract it's a commitment to 165,000 square
15 feet of development, is that true?

16 DEPUTY COUNTY EXECUTIVE WALKER:

17 145.

18 MR. MEYER: 145,000 plus the
19 Fillmore theatre.

20 LEGISLATOR DENENBERG: So it's
21 145,000 plus 2,800 square foot theatre. And
22 what's our revenue for that part?

23 DEPUTY COUNTY EXECUTIVE WALKER:

24 \$400,000 for the first year and then
25 escalating.

Economic/Community Development 9-9-13

2 LEGISLATOR DENENBERG: As opposed
3 to then the Coliseum, it's the -- the
4 Coliseum is \$4 million, 48 percent whichever
5 is higher?

6 MR. MEYER: Or eight percent of
7 the gross revenue, and 12.75 percent of
8 parking.

9 LEGISLATOR DENENBERG: So
10 \$400,000 for the plaza improvements?

11 MR. MEYER: Yes.

12 LEGISLATOR DENENBERG: \$4 million
13 or eight percent of the revenue receipts
14 including parking for the Coliseum itself?

15 MR. MEYER: It's eight percent of
16 the gross revenue on the Coliseum Plaza
17 improvements as well, or \$400,000, whichever
18 is greater.

19 DEPUTY COUNTY EXECUTIVE WALKER:
20 And that \$400,000 also escalates.

21 LEGISLATOR DENENBERG: But we're
22 assuming that for the plaza it's going to be
23 lower revenue because I assume you're going
24 to have subleases with whoever runs the
25 restaurants, the bowling alleys, the movie

Economic/Community Development 9-9-13

2 theatre?

3 MR. LESTER: That's correct.

4 DEPUTY COUNTY EXECUTIVE WALKER:
5 And they're also going to be paying on top
6 of that the pilot, whatever the IDA grants
7 as the form of a pilot.

8 LEGISLATOR DENENBERG: Now, with
9 the IDA grants and sewage treatment, for
10 example, that's a -- let's take out sewage
11 treatment for a second. You, NEC, pays all
12 utilities, right; the LIPA cost, water cost,
13 all of that, correct?

14 MR. LESTER: Correct.

15 LEGISLATOR DENENBERG: But the
16 one utility that's not sure to me that you
17 would pay for because it's typically paid
18 from property tax is sewage treatment.

19 I assume, because you are in
20 sewer district number three, that any
21 development would utilize Cedar Creek,
22 correct?

23 DEPUTY COUNTY EXECUTIVE WALKER:
24 Correct.

25 LEGISLATOR DENENBERG: Is that in

Economic/Community Development 9-9-13

2 the contract? I didn't see it.

3 MR. KLEIN: The specific facility
4 is not mentioned in the contract, but in
5 Section 15.1 it does identify sewer charges
6 as one of the utility fees that NEC will be
7 responsible for.

8 LEGISLATOR DENENBERG: Sewer
9 charges they are?

10 MR. KLEIN: They are.

11 LEGISLATOR DENENBERG: So what
12 would we do, we would have a separate
13 agreement for a tie-in?

14 MR. LESTER: Yes.

15 LEGISLATOR DENENBERG: Do you
16 envision an annual charge or something
17 charged based on usage?

18 MR. LESTER: I think we have to
19 evaluate to make sure we're not in -- put
20 ourselves in any type of non-conformity with
21 the requirements. I don't know if people
22 can pay different methodologies of payment.
23 We have to look at the law and figure out
24 what the correct way is of charging it.
25 But, as you know, it's on your tax bill now,

Economic/Community Development 9-9-13

2 but they will be -- it will be evaluated. I
3 don't know the exact methodology.

4 LEGISLATOR DENENBERG: That's my
5 question, because I understood gas or water
6 and you shook your head that NEC, you nodded
7 yes, if I'm not incorrect, that NEC is
8 responsible for those charges, correct?

9 DEPUTY COUNTY EXECUTIVE WALKER:
10 Yes.

11 LEGISLATOR DENENBERG: And you
12 understand for sewer, since we don't have a
13 separate charge by now that we'd have to
14 work out some type of agreement?

15 MR. LESTER: That's right.

16 LEGISLATOR DENENBERG: Finally,
17 with respect to the Veterans Memorial
18 Coliseum, in reading the lease, it's my
19 understanding that any naming rights that
20 NEC can exercise must still keep the name
21 Veterans Memorial Coliseum in it, correct?

22 MR. LESTER: That's right. Yes.

23 LEGISLATOR DENENBERG: So we can
24 lose the Nassau but we can't lose the
25 veterans memorial?

Economic/Community Development 9-9-13

2 MR. LESTER: I believe you have
3 to have Nassau Veterans Memorial.

4 LEGISLATOR DENENBERG: All right.
5 Final area. The total development we can
6 agree that some time after the Lighthouse
7 Project was proposed and not accepted by the
8 town, the town gave us a footprint or a map,
9 not even a map, I guess a zoning plan that
10 they would allow, correct?

11 MR. LESTER: Yes.

12 LEGISLATOR DENENBERG: What is
13 the total square acreage of development that
14 was in the town's plan?

15 MR. SALLIE: The Lighthouse
16 Development proposed upwards of 2 million
17 square feet of mixed use development.

18 When the town rezoned the
19 property, and the rezoning or the zoning map
20 is in front of you, the area in light blue,
21 it's 91 odd acres is the area that the town
22 rezoned. So it's inclusive of the 77 acre
23 Coliseum property and then the Marriott
24 property and the two lots to the south.

25 So the development -- the

Economic/Community Development 9-9-13

2 conceptual build-out of the Mitchell Field
3 mixed used zone is roughly 1.2 million
4 square feet of development.

5 LEGISLATOR DENENBERG: That the
6 town would allow?

7 MR. SALLIE: That the town would
8 allow, right. They built out the zone, they
9 have this conceptual scenario that they
10 analyzed under SEQRA. So it's about 125
11 million square feet with 500 residential
12 units cap.

13 LEGISLATOR DENENBERG: How much
14 is being proposed by NEC now?

15 MR. SALLIE: Right. So the plaza
16 development, so exclusive of the Coliseum is
17 roughly 150 thousand square feet.

18 LEGISLATOR DENENBERG: So it's
19 150,000 of 1.2 million that would be
20 allowed?

21 MR. SALLIE: Correct.

22 LEGISLATOR DENENBERG: So one
23 would think we are well within, correct?

24 MR. SALLIE: Well within. Well
25 within the density, bulk, intensity, and

Economic/Community Development 9-9-13

2 uses permitted.

3 LEGISLATOR DENENBERG: So, then,
4 that other development that we could
5 possibly do, and looking at your picture,
6 parking I guess would be the elephant in the
7 room, but if there is a parking garage that
8 resolves itself, either Mr. Walker,
9 Mr. Sallie, someone answer, who, if this 145
10 square feet of development is done, but the
11 town would allow up to 1.2, or even if the
12 town scaled it back and said only a million,
13 it's like 800,000 to a million more
14 development that would be allowed in the
15 town scaled back version from the
16 Lighthouse, who's right would that be?

17 DEPUTY COUNTY EXECUTIVE WALKER:
18 The county's, right? It would be up to this
19 legislature to approve any other future
20 development we have. The three month
21 exclusivity with -- in this lease with NEC,
22 and, as I mentioned before, if something
23 came about that was a compelling interest to
24 the legislature and the county executive
25 that mirrors this proposal, we would take

Economic/Community Development 9-9-13

2 advantage of it. I don't know if that's
3 going to come or not. That's why that three
4 month --

5 LEGISLATOR DENENBERG: So we
6 could put out a proposal and for three
7 months, that proposal would be exclusive for
8 NEC to bid on?

9 DEPUTY COUNTY EXECUTIVE WALKER:
10 No. Right now we have three month
11 exclusivity for us to negotiate for any
12 future development on this site. We're not
13 doing that. We don't even know what that
14 future development is.

15 We know and Sean mentioned, we
16 are very comfortable and confident that at
17 the end of the day the Town of Hempstead is
18 going to be the only that's going to decide
19 if there is any available parking left for
20 future development, or do we need to use
21 that whole 77 acres to require 6,000, 6,500
22 parking spots. We don't know what that's
23 going to be.

24 So the site plan approval process
25 is going to dictate, do we have any

Economic/Community Development 9-9-13

2 available space for immediate development.
3 We have a three month window to negotiate
4 with NEC on any other development on that
5 site. We are under the opinion that we will
6 be working with both NEC, the Renaissance
7 Development Group, and the county, and the
8 county legislature, because it goes through
9 all the other processes on any other future
10 development.

11 Probably in almost -- 99 percent
12 positive that we are going to need parking,
13 a parking structure to, in fact, replace
14 existing parking. Because we are going to
15 required to have that parking for both the
16 plaza improvements and the Coliseum.

17 LEGISLATOR DENENBERG: So let's
18 say Renaissance, Monti brings a hotel. Let
19 say, I don't know Hilton or Sheraton. What
20 would NEC's rights be to prevent that if
21 they think it takes too much of the parking
22 for the plaza improvements to be efficient
23 effective profitable?

24 DEPUTY COUNTY EXECUTIVE WALKER:
25 Because we are required to maintain X

Economic/Community Development 9-9-13

2 parking strictly for the Coliseum and the
3 plaza improvements. It's going to be a
4 requirement of the Town of Hempstead.

5 So we know we are not going to be
6 able to do anything else on that land unless
7 we replace the existing parking with
8 something else. That's going to be down the
9 road if it happens. It's unknown. We are
10 all working aggressively. It's \$25,000 per
11 parking spot for a parking garage. You can
12 do the math quick. You want to replace
13 3,000 parking spots, we are talking \$65
14 million, doing it quick in my head, a lot of
15 dollars.

16 So the county is not putting in
17 dollars for that. This is 100 percent
18 privately financed facility, the plaza
19 improvements and the Coliseum. And we,
20 collectively, the whole process, if there is
21 going to be anything added on three years
22 from now, four years, five years down the
23 road, you would have to go through the same
24 environmental review process, the same town
25 board process, and you would have to

Economic/Community Development 9-9-13

2 obviously then meet the Town of Hempstead
3 requirements.

4 LEGISLATOR DENENBERG: I guess
5 I'd close with, you mentioned the MIS study,
6 which was the transportation study, the 17
7 million that you credited with Carolyn
8 McCarthy with securing, and we were down to
9 two preferred alternatives, bus rapid
10 transit, and light rail. I believe we are
11 leaning towards, if not, have already chosen
12 bus rapid transit.

13 DEPUTY COUNTY EXECUTIVE WALKER:
14 We are very much leaning towards bus rapid
15 transit.

16 LEGISLATOR DENENBERG: Is there a
17 light at the end of that tunnel that that
18 could happen at the same time that we start
19 seeing this?

20 DEPUTY COUNTY EXECUTIVE WALKER:
21 The bus rapid transit is just a much easier
22 methodology by which to in fact see progress
23 on. Obviously, any type of light rail
24 systems would result in a lot of acquisition
25 of property, condemnation in many regards, a

Economic/Community Development 9-9-13

2 lot of dollars, much more expensive,
3 stations and other things such as that
4 nature that I, personally, don't think it
5 will happen. I don't think there's that
6 many dollars are out there. We are all
7 competing for the same money.

8 Bus rapid transit, Veolia has a
9 very -- they are interested already. They
10 have already looked at linking hubs and
11 things of that nature. So I believe that
12 that is a much better way to go, more cost
13 conscious, but also people to finally see
14 something.

15 LEGISLATOR DENENBERG: Well,
16 where are we at the MIS now?

17 DEPUTY COUNTY EXECUTIVE WALKER: I
18 believe we had some stakeholder meetings. I
19 believe we're probably closer to the final
20 stages of the locally preferred alternative.

21 LEGISLATOR DENENBERG:
22 Mr. Sallie, do we know when that should be?

23 DEPUTY COUNTY EXECUTIVE WALKER:
24 He's smart. He left.

25 LEGISLATOR DENENBERG: So we

Economic/Community Development 9-9-13

2 don't know when that preferred alternative
3 is going to be?

4 DEPUTY COUNTY EXECUTIVE WALKER:
5 Very soon. Next few months.

6 LEGISLATOR DENENBERG: Thank you.
7 Thanks guys.

8 CHAIRWOMAN FORD: Legislator
9 Dunne.

10 LEGISLATOR DUNNE: Most of my
11 questions have already been asked and
12 answered. The public safety questions
13 Legislator Belesi asked, and they were
14 answered to my satisfaction.

15 There is going to be a financial
16 risk, even Trump when he does his casinos
17 and his hotels, there's a financial risk.
18 So nothing is a sure thing. I understand
19 exactly what you're saying. I don't know
20 how it seems to be hard so hard to
21 understand by some of the people in the
22 legislature here.

23 Is it still going to be used as a
24 shelter in an emergency?

25 DEPUTY COUNTY EXECUTIVE WALKER:

Economic/Community Development 9-9-13

2 Yes. We did two things. First, we have
3 data we put in already into the dates that
4 the county could actually use. We didn't
5 use it during the last storms really as an
6 emergency center, but the staging area we
7 would use if need be. Obviously in this
8 storm we worked with them on that.

9 The shelter component, we prefer
10 to stay away from the Coliseum, because you
11 saw what happened at the Super Dome in New
12 Orleans, another place that uses mass
13 facilities, but we obviously would use the
14 parking lot for a staging area and, during a
15 storm, they wouldn't be having that many
16 events anyway.

17 We believe we would have no issue
18 with that but there is dates for the county
19 to use for their own activities should we
20 choose, we just have some noticing
21 requirements.

22 LEGISLATOR DUNNE: Excellent.
23 Thank you. America's Got Talent, American
24 Idol, all those things, are you pursuing
25 those shows to come to the Coliseum?

Economic/Community Development 9-9-13

2 MR. LESTER: Yes. We pursue all
3 sorts of avenues like that.

4 LEGISLATOR DUNNE: Every kind of
5 entertainment there is. How about high
6 school tournaments, state or county
7 tournaments, whether it be wrestling,
8 basketball, volleyball, high school Marching
9 band competition? We have the Empire State
10 Games.

11 MR. LESTER: I think anything
12 like that would be great.

13 LEGISLATOR DUNNE: So you do look
14 at everything?

15 MR. LESTER: Yes. Definitely.

16 LEGISLATOR DUNNE: Terrific.
17 Most of my questions have been answered.
18 I'm waiting for the financial response from
19 Independent Budget Review. I'm finished.
20 Thank you.

21 CHAIRWOMAN FORD: Legislator
22 Becker.

23 LEGISLATOR BECKER: I only ask
24 for one guarantee and that's in the contract
25 is that Miley Cyrus doesn't do any twerking

Economic/Community Development 9-9-13

2 in the Nassau Coliseum, can you promise me
3 that, the Ratner Group? We have tender
4 young people in the county and we don't want
5 them to see that stuff.

6 Anyway, I just want to -- very
7 quickly. I think this is a great plan and I
8 just personally wanted to congratulate the
9 county executive on a great job, and, you,
10 Rob, for the work you did on this. It's
11 stunning, it's one of the best developments
12 I've had in the 18 years I've been with the
13 county to see this really finally happen and
14 I'm really looking forward to it. I think a
15 \$10 billion company should be able to get
16 the financing it needs and, according to
17 Washington, the economy is improving, but,
18 even so, I think that we can see the success
19 the Barclays arena has had so far. I've
20 been there. It's wonderful. Been to some
21 concerts there. I, too, like everybody,
22 would like to see more Islander games. If
23 we could see more Islander games here, you
24 know you're talking a home run, or a grand
25 slam, I should say, because this is a home

Economic/Community Development 9-9-13

2 run.

3 But, thanks, Rob, for the great
4 work you're doing, and the county executive.
5 It's an amazing thing. I think this is
6 going to be a great thing for our county in
7 moving forward and, at least if we leave
8 this legislature, I can say, hey, something
9 good happened when I was there. Thank you.

10 DEPUTY COUNTY EXECUTIVE WALKER:

11 You're be there for the ground breaking.

12 CHAIRWOMAN FORD: Legislator

13 Troiano.

14 LEGISLATOR TROIANO: I have two
15 questions. This goes back to the issue of
16 the conditional financing requirement in the
17 contract, and Legislator Dunne said, I think
18 quite correctly, that there's risks in
19 everything.

20 But just as you provided us with
21 a letter, you haven't provided it to us, but
22 there is a letter from Goldman Saks
23 indicating that you can get financing today,
24 is there any reason why, when we get further
25 down the road, instead of having it be just

Economic/Community Development 9-9-13

2 your determination, we couldn't also add to
3 the contract requirement that Goldman Saks
4 provide a letter saying that, in fact, you
5 can't get the financing at this time?

6 MR. LESTER: The way -- it's
7 difficult to get the firm financing
8 commitment until everything is aligned with
9 all the revenues and you really go out to
10 market it, and I think I'm speaking sort of
11 for Goldman, but they don't really want to
12 go out and market it and try to -- have
13 everything buttoned up until we are really
14 ready to close. So if we don't have the
15 approvals --

16 LEGISLATOR TROIANO: That's not
17 what I'm asking. I'm sorry. If we got to
18 the point maybe two years from here, or a
19 year and a half from here, and you, under
20 the current lease as it's structured now, if
21 you were to determine that you can't get
22 financing, we are subject to your
23 determination. What I'm saying is, why
24 can't we get to buttress that, require a
25 letter from Goldman Saks at that time saying

Economic/Community Development 9-9-13

2 that, in fact, NEC's determination is
3 correct?

4 LEGISLATOR MUSCARELLA: Can I
5 just jump in for a second? I think what the
6 question is asking is, if financing is
7 denied, are we going to get a letter of --

8 LEGISLATOR TROIANO: That's not
9 quite my question because they don't have to
10 go out and try to get financing and then get
11 turned down. All they have to do is say is
12 they can't get financing that's reasonably
13 satisfactory to them.

14 All I'm saying is, and I think
15 you should want this also, Legislator
16 Muscarella, is some independent verification
17 that they can't get financing in the same
18 way that Ronald Reagan said trust but
19 verify. That's all I'm saying. Are they
20 okay with that?

21 DEPUTY COUNTY EXECUTIVE WALKER:
22 These questions with the financing, they've
23 got to go back, obviously, to their
24 principal and discuss, and I will get you an
25 answer right away, obviously before you

Economic/Community Development 9-9-13

2 vote. We understand the question.

3 LEGISLATOR TROIANO: Then the
4 second question I have is, during a meeting
5 with Legislator Abrahams and Bruce Ratner,
6 he indicated that he was solely committed to
7 using union labor for this project. I'm
8 happy to see that there is this kind of
9 commitment in the lease.

10 He also indicated that he had a
11 personal commitment to what I thought were
12 very lofty goals for minority vendor program
13 during the construction phase and then
14 afterward.

15 Can't we also include that kind
16 of commitment in the lease?

17 MR. LESTER: I think we typically
18 strive for having the MWBE goals. Going
19 back to the lease generally, I think we need
20 to talk about. One thing I just want to
21 mention about the lease. The lease was
22 negotiated holistically, so there were a lot
23 of things that were coming up, gives and
24 takes along the way, so to go back on the
25 individual items here and there is tricky.

Economic/Community Development 9-9-13

2 LEGISLATOR TROIANO: I think we
3 just talked about adding a paragraph similar
4 to the paragraph by the unions that says,
5 best efforts basis, try to achieve the goals
6 that Mr. Ratner set in the meeting that I
7 had with him. I would like to get something
8 in this contract that says that at least
9 there is at least a personal commitment to
10 that goal.

11 MR. LESTER: Right. Okay. I'll
12 talk to him about that. I think we are
13 committed to those goals, so I'm not trying
14 to --

15 LEGISLATOR TROIANO: I have no
16 doubt that you are. He said that you met
17 and exceeded the goals for the Barclays
18 Center, let's just put that into this
19 contract as well.

20 MR. LESTER: Okay.

21 LEGISLATOR TROIANO: Thank you.

22 CHAIRWOMAN FORD: Legislator
23 Belesi.

24 LEGISLATOR TROIANO: Can we just
25 add to that some form of an apprenticeship

Economic/Community Development 9-9-13

2 program as well?

3 DEPUTY COUNTY EXECUTIVE WALKER:

4 You know, they're going to deal with that
5 with the unions. I think the unions -- the
6 whole concept of using the unions, they're
7 going to negotiate the contract with the
8 unions, how they negotiate it with the PLEs
9 and things of that nature. It will all tie
10 in. They might be required to have the
11 apprenticeship program anyway as per our
12 law.

13 CHAIRWOMAN FORD: I think they
14 have to, have an apprenticeship program.

15 DEPUTY COUNTY EXECUTIVE WALKER:

16 They all going to have it because you're
17 dealing with the unions. You just don't put
18 them into this because they're going to
19 enter into PLAs and things of that nature
20 and it's going to take into account all of
21 those types of things.

22 CHAIRWOMAN FORD: The law is that
23 you write it in to and I believe the county
24 has it, the City of Long Beach has it, that
25 they can only, you know, on city-owned

Economic/Community Development 9-9-13

2 properties that they can only enter into
3 agreements with renovations with companies,
4 businesses that have approved apprenticeship
5 programs certified by New York State.

6 LEGISLATOR TROIANO: I think the
7 difference here might be, I'm not quite sure
8 and, as it's been said many times today, I'
9 not an attorney, but that is true when the
10 county when the county contracts with
11 somebody, some contractor to build a
12 building that the county owns and operates.
13 That is a little bit different I think.

14 CHAIRWOMAN FORD: No, it isn't.
15 It's county-owned property.

16 LEGISLATOR TROIANO: The county
17 is not going to operate the building.

18 DEPUTY COUNTY EXECUTIVE WALKER:
19 There is no issue with the apprenticeship
20 programs. Because, as I said, they're using
21 unions already that have apprenticeship
22 programs. They're going to negotiate with
23 the unions and why the unions do so well
24 with Forest City Ratner is because they
25 negotiate the contract, they go out to bid,

Economic/Community Development 9-9-13

2 and I'm not speaking for them, but I know
3 this is what will take place. And then
4 you'll have all those union issues wrapped
5 into it. It's not an issue.

6 CHAIRWOMAN FORD: When they
7 proposed this, at the Coliseum, when
8 everybody was there, many of the labor
9 unions were represented by their leaders.
10 They were all very happy. But I'm not going
11 to speak on their behalf, but the way it was
12 conveyed to me was that they were very happy
13 with this because they know that Forest City
14 Ratner has always been very union friendly.
15 So they were looking, they were very happy
16 that they will be working with him on this
17 project.

18 I believe that, I don't know like
19 going forward, like after once it's built, I
20 believe that he is looking to make sure that
21 he does have a good work environment.

22 I think that one of the
23 discussions that we had when I met with
24 Mr. Ratner and Ashley Cotton was that, even
25 over in Brooklyn, that they hired, their

Economic/Community Development 9-9-13

2 intent was in that area because so many
3 people can walk to work, that it was to
4 their benefit. Because you can't park in
5 Brooklyn, let's be honest about that.

6 But what they did was, that so
7 many of the employees they brought in lived
8 locally so they were able to walk to work.
9 And I believe, and I'm not going to put
10 words in Ms. Cotton's mouth, but I believe
11 the turnover has been very, very low. That
12 the people that they hired have stayed. So
13 that tells you something about the people
14 that they work for, their employees, that if
15 you have that commitment, that dedication,
16 on the part of employees, that they're going
17 to stay, that you know the working
18 environment is probably pretty good. I
19 don't know. I don't work there.

20 But I think also, in all
21 fairness, I think that you, yourselves, do a
22 little justice when you don't come and tell
23 us, I think at that presentation at the
24 Coliseum, as I said on the dais you had
25 various representatives, and I'm not a

Economic/Community Development 9-9-13

2 sports person, but I know that, never mind
3 the music, but you also had somebody from
4 college basketball I think, and you might
5 have had hockey, baseball, different
6 coaches, and I think that you plan on also,
7 your intention is to open up the Coliseum to
8 a lot of communities so that there's
9 community participation, perhaps in coaching
10 for different sports and everything.

11 Can you elaborate on that to tell
12 me if I'm right or wrong, if you are looking
13 also to incorporate the Coliseum into the
14 neighborhood and have the neighborhood come
15 into the Coliseum?

16 MR. LESTER: I think that's
17 right. We want to reach out to the
18 neighborhoods and have them come in both in
19 employment and through things like the
20 coaches clinic, the basketball coaches
21 clinics, the Yankees coaches clinics, doing
22 all sorts of high school basketball events,
23 so that's certainly the intention, and
24 that's what we tried to do in Brooklyn.

25 Also even just with the food,

Economic/Community Development 9-9-13

2 bringing local sort of culinary experiences
3 into the building and to the surrounding
4 retail, so that's certainly what we hope to
5 do.

6 CHAIRWOMAN FORD: I think in all
7 fairness, as I said, I've had the
8 opportunity. I have been in Brooklyn. I
9 started there in the mid 1970s working in
10 that area, and even shopping in that area on
11 Fulton Street, Willaby Livingston. The one
12 thing that can say is that it was through
13 Mr. Ratner's group that they renovated that
14 area and they built the Metrotech Center
15 which is a beautiful example of well-planned
16 design, that they brought something into a
17 distressed area of New York City and seemed
18 to elevate it. So that even when the
19 concern is, when you have with the Coliseum,
20 what impact is it going to have on the
21 surrounding businesses? Will it take away
22 from the local business, the local delis, or
23 whatever else is surrounding, on Hempstead
24 Turnpike?

25 I have to say that when I look at

Economic/Community Development 9-9-13

2 the restaurants and the stores now along
3 Flatbush over by Fulton Street, they are
4 becoming a little bit more upscale, they're
5 much nicer, and you just see a lot of energy
6 now in that area that I didn't see 30 years
7 ago, a lot of positive energy.

8 I agree with you that I think
9 that we have to be concerned about the
10 financials, you know, like our commitment
11 and our trust in them, it's a little bit of
12 a gamble, I admit it, and we are hoping that
13 through the Office of Legislative Budget
14 Review that they'll be able to relay some of
15 the concerns that perhaps many of us share.

16 But I think that this is a good
17 group and I believe that with their
18 reputation it speaks a lot for us moving
19 forward in the decision that we have to make
20 but we do have a lot of homework to do
21 before we reach the Full Legislature to vote
22 on this.

23 Legislator Belesi, were you
24 finished?

25 LEGISLATOR BELESI: Just a

Economic/Community Development 9-9-13

2 question. With the new realignment of the
3 hockey, NHL, being a lot of competition for
4 us on the island now, what I'm asking is,
5 are you taking into account for the new
6 realignment to the National Hockey League,
7 which teams will be where? It affects if a
8 team gets to downtown Brooklyn and two years
9 later, it was a temporary move and they want
10 to move to Calgary, it's not going to be so
11 simple. I'm just saying, take into account
12 for a new division because there's billions
13 of dollars tied up in that with labor
14 contracts.

15 MR. LESTER: It's something to
16 think about certainly. I do think there is
17 some territorial rights in this area that
18 govern so we would need to look at it in the
19 context of those as well.

20 LEGISLATOR BELESI: Thank you.

21 CHAIRWOMAN FORD: Any other
22 questions?

23 (No verbal response.)

24 Is there any from the audience?

25 (No verbal response.)

Economic/Community Development 9-9-13

2 I want to thank you very much for
3 your presentation and participation today
4 and for addressing our questions and our
5 concerns.

6 I will now call the item, only
7 those on the Economic Committee.

8 LEGISLATOR DERIGGI-WHITTON: Can
9 we just have a caveat that the information
10 we requested be provided prior to the next
11 Full Leg meeting?

12 CHAIRWOMAN FORD: Right. And
13 that was our understanding.

14 LEGISLATOR DERIGGI-WHITTON: We
15 have to say that now again.

16 CHAIRWOMAN FORD: To the extent
17 possible, yes, we definitely would like to
18 get as much information.

19 LEGISLATOR DERIGGI-WHITTON:
20 We're going to need the specifics especially
21 regarding the finance as far as the
22 terminology in that lease.

23 I'm going to pass it through now
24 but I would really -- it's absolutely
25 necessary that we have that information.

Economic/Community Development 9-9-13

2 CHAIRWOMAN FORD: It's noted.
3 Deputy County Executive Rob Walker, you
4 heard, right? We'll do the best that we
5 can.

6 LEGISLATOR DERIGGI-WHITTON:
7 Seriously, I think -- we had a lot of
8 concerns that need to be addressed and I
9 wanted that to be taken quite seriously.

10 CHAIRWOMAN FORD: Legislator
11 Whitton, we do take it quite seriously and
12 that's why I directed it to the deputy
13 county executive. And, to the best of their
14 abilities, I don't know myself, if all of it
15 can be 100 percent answered, but I would
16 like it to be as answered as best and as
17 complete as possible prior to the Full Leg.

18 LEGISLATOR DERIGGI-WHITTON: And
19 the earlier the better. Then we also have
20 Monday.

21 CHAIRWOMAN FORD: Right. We also
22 have the Office of Budget Review that will
23 be looking at this as well and we hope to
24 get some answers from them as well and some
25 clarification.

Economic/Community Development 9-9-13

2 I'm now going to call the item.

3 All those in favor?

4 (Aye.)

5 Any opposed?

6 (No verbal response.)

7 The item passes. Motion to
8 adjourn.

9 LEGISLATOR NICOLELLO: So moved.

10 LEGISLATOR KOPEL: Second.

11 CHAIRWOMAN FORD: Moved by
12 Legislator Nicolello, seconded by Legislator
13 Kopel. Thank you.

14 LEGISLATOR MUSCARELLA: I would
15 just like to add one thing even though I'm
16 not a member of the committee, Legislator
17 Ford did an amazing job. I think it was a
18 great thing to invite the entire legislature
19 to be present and I think it's going to help
20 expedite the contract and the process.
21 Great job for Denise.

22 (Whereupon, the Economic &
23 Community Development & Labor Committee
24 adjourned at 7:46 p.m.)

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and Notary Public in and for the State of New York, do hereby stated:

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of September, 2013.



FRANK GRAY