



MOUNT VERNON CITY SCHOOL DISTRICT

165 North Columbus Avenue | Mount Vernon, New York 10553 | www.mtvernoncsd.org

Dr. Donna Marable
President

Warren Mitchell, II
Vice President

May 1, 2026

Trustees

Sakai Brown
Sabina Kelley
Dr. Chris McDonough
Dr. Lynne Middleton
Erica Peterson
Randolf Scott
Wanda White

District Clerk

Rita James

Honorable Shawyn Patterson-Howard
Mayor and Chairperson, Mount Vernon IDA
Mount Vernon City Hall
1 Roosevelt Square
Mount Vernon, NY 10550

RE: Response to Ginsburg Development Companies' April 14, 2026 Letter Regarding Heritage House South PILOT

Dear Mayor Patterson-Howard,

Thank you for sharing Ginsburg Development Companies' (GDC) April 14, 2026 letter responding to the Mount Vernon City School District Board of Education's March 17, 2026 memorandum. We appreciate the opportunity to address GDC's response and to advance the dialogue around this significant request for continued public financial support.

I. A Note on Terminology

GDC's letter takes issue with our use of the term "PILOT extension," suggesting we meant "new PILOT." Our terminology was drawn directly from GDC's own September 8, 2025 letter, which asks the IDA to "extend the existing PILOT until 2045," and from the Storrs Associates report, which describes the request as an "extension of an existing PILOT agreement." Whether styled as an extension or a new PILOT, the substance is unchanged: continued tax abatement on this property through 2045. We see no reason to dwell on this further.

II. The Mayor's Commitments

Madam Mayor, we have been encouraged by your commitment to two principles that should guide this process:

Cooperation with the MVCSD. The majority of property tax abatements granted by the IDA to for-profit developers would otherwise flow to the MVCSD—a school district that, like the City, is under significant financial stress. Your commitment to meaningful cooperation with the District on these matters is much appreciated.

Evidence-based decision-making. You have made clear that the IDA will follow an evidence-based process. We wholeheartedly support this commitment. It is, after all, what we teach our students. With that standard in mind, we offer the following observations regarding GDC’s April 14 letter.

III. “Substantial” PILOT Payments: What the Record Actually Shows

In response to our question, “What has the community received for twenty years of tax relief?”, GDC points to “substantial PILOT payments made over the years.” The IDA’s own audited financial statements tell a more complete story.

Over the last ten years (2016–2025), Heritage House South made PILOT payments totaling approximately \$2.15 million against real property taxes of \$11.77 million. That is a property tax discount of roughly 85%. The majority of the foregone revenue—approximately **\$6.8 million**—would have flowed to the Mount Vernon City School District. And this represents only the most recent decade; this developer has received tax abatements since 2005.

We do not dispute that PILOT payments were made. We observe that characterizing a payment of 15 cents on the dollar as “substantial” strains the ordinary meaning of the word. The IDA Board should evaluate these payments against what the community gave up to provide them.

IV. Job Creation Claims Require Evidence, Not Anecdotes

GDC’s letter responds to our due diligence question by highlighting “twenty years of part-time and summer employment opportunities” for youth, noting that retail jobs are “ideal first jobs for high school and college students building their résumés.”

This is a general description of the retail industry, not evidence of what this property has delivered. Yes, retail centers offer part-time jobs. The question is whether the public investment of roughly \$6.8 million in foregone school district property tax revenue over the last decade alone produced employment outcomes that justify that level of support.

An evidence-based process requires actual data:

- How many jobs existed at the property in each year of the current PILOT? How many are full-time versus part-time?
- What is the actual annual payroll—not a projection from the Storrs model, but verifiable W-2 or payroll data?
- How many of these jobs are held by Mount Vernon residents?
- What wages are actually paid, and how do they compare to the projections in the PILOT application for this project?

Local job creation is central to the economic mission of the IDA. Given the scale of the tax abatement GDC has received—and the scale of what it now requests through 2045—asking for verifiable employment data is not only appropriate, it is required by any evidence-based standard.

V. Sales Tax Revenue: The Missing Piece of the Benefit/Cost Analysis

There is another dimension of economic return that is conspicuously absent from both GDC's letter and the Storrs Associates benefit/cost analysis: retail sales tax revenue generated by the tenants at this property.

Mount Vernon's sales tax rate is 8.375%, of which the City retains approximately 4%. For a retail plaza anchored by national chains like Target, TJ Maxx and Petco—and now, GDC hopes, by Fun City Adventure Park—the sales tax generated by tenant operations is potentially the most significant fiscal contribution the property makes to the City. Yet the Storrs report's benefit/cost analysis includes only sales tax estimates from worker spending and facility operating purchases. It does not account for the actual retail sales tax flowing from tenant operations- the very activity the PILOT is supposed to support.

This is a significant omission. If the IDA is being asked to allow GDC to forego \$7.1 million in property tax revenue to keep this retail center viable, the IDA Board should know exactly how much sales tax revenue the City has received from tenant sales at this property over the life of the PILOT. That data exists. Retailers report taxable sales. The City and the State can verify it. An evidence-based process should include it.

The same logic applies going forward. GDC's letter makes an enthusiastic case for Fun City as a "destination location" that will draw visitors from across southern Westchester County. If that is true, Fun City should be able to provide projected gross sales for at least the first five years of operation. With that information, the IDA can estimate the sales tax revenue the City would receive and weigh it against the property tax revenue being foregone. Without it, the IDA is being asked to accept a qualitative promise, "this will be great for Mount Vernon", in place of a quantitative analysis.

We are not asking for proprietary business details. We are asking for the kind of basic revenue projection that any commercial tenant would prepare as part of its own business planning. If Fun City has a business plan that justifies investing \$3.83 million in build-out costs, that plan includes sales projections. The IDA Board should see them.

VI. The "Underwater" Property: Debt, Cash Flow, and Unanswered Questions

GDC's April 14 letter provides useful financial detail about MV South's decline. The developer reports that a June 2015 appraisal valued the property at \$54 million, that East West Bank funded

a mortgage of \$37 million (a 68.5% loan-to-value ratio), and that by November 2025 the value had fallen to \$25.6 million while the loan balance stood at \$28.424 million (a 110.3% LTV). The property is, by GDC's own account, underwater.

We do not doubt that the 2023 Bed Bath & Beyond bankruptcy was a significant blow. The loss of an anchor tenant affects appraised value, foot traffic, and the ability to attract replacement tenants. However, that event alone does not answer the financial questions that the IDA Board should resolve before granting further tax relief.

In ten years, the loan balance declined from \$37 million to \$28.4 million—a reduction of only \$8.6 million. During this same period, the property was generating income under deeply favorable PILOT terms, paying roughly 15 cents on the dollar in property taxes. A property that has enjoyed twenty years of tax abatements and lost more than half its appraised value requires a thorough explanation.

That is precisely why our March 17 letter requested a complete history of all refinancing events, including loan amounts, lenders, and the disposition of proceeds. GDC's April 14 letter does not provide this information. This remains the single most important unanswered question in this process. As we stated in our March 17 memorandum: if the favorable cash flows created by the PILOT were used to leverage the asset—refinancing at higher loan amounts and deploying the extracted equity elsewhere—then Mount Vernon's tax concession did not subsidize a retail center for its residents. It subsidized the developer's balance sheet. The IDA Board cannot evaluate this application without the refinancing history.

VII. What GDC's Letter Did Not Address

Our March 17 letter posed specific, answerable requests for information. GDC's response leaves several critical items unanswered:

- **Complete PILOT payment and tax exemption history since 2005.** Not provided. We obtained partial data from IDA audited financial statements, but a complete accounting from GDC and the IDA is still needed.
- **Complete refinancing history.** Not provided. GDC references the original 2015 mortgage and current balance but does not disclose any interim refinancing, cash-out events, or changes in loan terms.
- **Capital improvement documentation.** Not provided. Twenty years of tax abatement should have funded meaningful reinvestment in the property. The IDA Board should see evidence of what improvements were made.
- **Independent appraisal for IDA purposes.** GDC references the November 2025 East West Bank appraisal, which is USPAP-compliant but was prepared for the lender's purposes. The IDA should consider whether an appraisal commissioned for its own due diligence is warranted.

- **Historical and projected sales tax revenue from tenant operations.** Not provided or addressed in any form. As discussed in Section V, this is a critical component of the economic return to Mount Vernon that should inform the benefit/cost analysis.

These are not adversarial requests. They are the basic due diligence that any governing body should require before committing public resources for another fourteen to fifteen years.

VIII. The Central Question Before the IDA Board

GDC's letter makes a forward-looking case: Fun City will be a destination tenant, Lightbridge Academy may fill the vacant endcap, and experiential retail will succeed where big-box stores failed. We hope this is true. A thriving retail center at 500 E. Sandford Boulevard serves everyone's interests.

But hope is not evidence, and a forward-looking pitch does not answer the backward-looking question the IDA Board must resolve before granting further tax relief: What did twenty years of public investment in this property produce?

The record as we currently understand it shows a property that has been receiving a deep property tax discount for two decades, lost its anchor tenant and more than half its appraised value, carries \$28.4 million in debt against a \$25.6 million valuation, has a below-benchmark debt service coverage ratio, and arrives at the IDA asking for another fifteen years of abatement, the majority of which comes from our financially strapped public school district. GDC may have satisfactory answers to every question raised in this letter. But those answers have not yet been provided, and the IDA Board should not advance this application until they are.

IX. Conclusion

We are asking that the IDA's process live up to the evidence-based standard that you, Madam Mayor, have committed to. That means obtaining and evaluating the financial history of this property—and the full picture of its economic contribution, including sales tax revenue—before deciding whether another round of tax abatement is justified.

Specifically, before this application advances further, we respectfully request:

- 1) Complete PILOT payment and tax exemption history from 2005 to present.
- 2) Complete refinancing history, including loan amounts, dates, lenders, and disposition of proceeds.
- 3) Documentation of capital improvements made to the property during the PILOT period.
- 4) Verifiable employment data—actual jobs, actual payroll, actual wages—for the current and prior PILOT periods.
- 5) Historical retail sales tax revenue generated by tenant operations at this property, for as many years as data is available.

- 6) Projected gross sales for Fun City Adventure Park for at least the first five years of operation, so the IDA can estimate the sales tax return to the City.
- 7) A revised benefit/cost analysis that incorporates actual PILOT payments and sales tax revenue as the measures of fiscal benefit, and that acknowledges the cost-shifting burden on other Mount Vernon taxpayers.

The families our School District serve - as both taxpayers and community members- deserve a process that asks and answers these questions. We are confident the IDA Board shares that commitment, and we look forward to continued constructive engagement on this matter.

Sincerely,



Chris McDonough, Ph.D.
Trustee, MVCSD Board

/s/ *Donna Marable*

Donna Marable, Ed.D.
Board President, MVCSD

Cc: Warren Mitchell, Vice President
Sakai Brown, Trustee
Sabina Kelley, Trustee
Lynne Middleton, Trustee
Erica Peterson, Trustee
Randy A. Scott, Trustee
Wanda White, Trustee
Dr. Demario A. Strickland, Superintendent of Schools
Dr. Kimberly Young-Wilkins, State Monitor
Royce Russell, In-House Counsel