



MOUNT VERNON CITY SCHOOL DISTRICT

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

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August 10, 2026

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

RE: Ginsburg Development Companies' August 5, 2026 Memorandum — 500 East Sandford Boulevard (Heritage House South) PILOT Request

Dear Mayor Patterson-Howard,

Our July 31 letter was intended to be the District's final written submission on this application. Ginsburg Development Companies' (GDC) August 5 memorandum — which the Agency transmitted to us with a request that it be discussed at the August 13 meeting — reopened the exchange. We respond briefly, because that memorandum does not answer the questions our July 31 letter raised. It changes the subject. Our July 31 letter asked the Board to take no action until two conditions were met: the mortgage status is resolved after December 31, 2026, and specific verifiable information is placed in the record. The August 5 memorandum meets neither. It does not mention the default or the forbearance. It argues instead that the City will lose sales-tax revenue if two tenants leave and asks the Board to vote "within the coming few months." Our request is unchanged: defer. The one new argument the memorandum makes deserves the Board's attention first.

I. The School District funds the majority of this abatement; the benefit GDC now invokes flows to the City, not the schools.

The entire case in the August 5 memorandum is the preservation of sales-tax revenue. Of the 8.375% sales tax collected at the center, the City retains approximately 4%; the School District receives none of it. City sales tax is not, and has never been, a source of District revenue.

The sales figures behind that argument are worth a closer look. We requested them several months ago, but on July 7, GDC told the Agency the leases do not require tenants to report sales. We withdrew our request for historical sales figures on that basis. GDC's August 5 memorandum now presents detailed sales-tax projections built on year-over-year growth "supplied by each tenant." If the tenants supply that data to GDC, it exists — and the basis on which we withdrew our request was incomplete. We renew the request and ask that any figures be verified against New York State Department of Taxation and Finance records rather than accepted on the applicant's word.

The abatement is funded chiefly by the District. Of the taxes the PILOT forgoes, the District's share is approximately 56.5% — and this is the Agency's own consultant's figure, not our estimate. Storrs estimates that the extension forgoes \$7,104,386 across all jurisdictions, of which **\$4,014,010 — 56.5% —**

is School District revenue (Table 12a). In the first extension year, Storrs models \$540,475 of foregone revenue across all jurisdictions, roughly \$305,000 of it School District revenue, at a flat 50% abatement held for eight consecutive years.

So, the transaction the memorandum proposes is this: the School District forgoes approximately \$4.0 million of its own revenue so that the City can protect a sales-tax stream the District does not share. **The jurisdiction that captures the benefit is not the one that carries the cost.** That asymmetry should be stated plainly before the Board relies on a sales-tax argument to justify abating school taxes.

We anticipate the reply that, without an extension, the center declines and the District collects even less. But that framing offers the Board only two outcomes — extend, or decline — and omits the third, which is the best one for the District: no extension, and the tenants stay. In that case the property returns to the full tax roll, and the District collects roughly 56.5% of the full levy — about double what it would receive under the extension. For the reply to hold, it is not enough that decline is possible; GDC would have to show it is likely enough, and deep enough, to outweigh what the District gives up by extending. It has quantified neither.

II. The foreclosure question is still open.

The August 5 memorandum does not mention that East West Bank declared the mortgage in default in May 2026, or that the bank deferred a foreclosure filing only through December 31, 2026 in exchange for a \$2,313,000 payment. That silence postpones the question; it does not resolve it. The Board is being asked to commit a benefit running into the mid-2040s on a property in default today that may have a different owner by 2027 — one the Board has not evaluated, who would inherit the abatement. The Storrs report cannot speak to this: dated February 22, 2026, it predates the default, models a performing mortgage, and even so places debt service coverage at 1.18, below the 1.50 benchmark it cites.

Nor is the urgency real. By GDC's own account, the tenant decisions that drive this request are not due until 2029 — TJMaxx's notice on January 31, 2029, Petco's on July 31, 2029. There is time to let the forbearance resolve, obtain verified information, and act well before then.

III. The employment figures cannot be reconciled with the record.

The memorandum also, for the first time, offers a specific employee count: 66 at TJMaxx, 25 of them Mount Vernon residents. That figure should be verified as well, because it cannot be reconciled with the Agency's own supplemental schedules, which report 2 full-time-equivalent employees at this property in each of 2022 through 2025, nor with the Storrs report's estimate of roughly two dozen jobs. It is silent on Petco, and it says nothing about wages. The new number widens the discrepancy our July 31 letter identified; it does not close it. Job creation is the statutory purpose for which this abatement was granted, and the record still cannot say what it produced.

IV. The tenants' tax exposure sits with the tenants — and reaches GDC only by its own choice.

These are triple-net leases — base rent plus common area maintenance plus real estate taxes. The 2032 tax increase flows to the tenants, not to GDC. If GDC wishes to retain a tenant by absorbing part of that increase, it can reduce base rent from its own return — an ordinary owner's decision, not a public obligation. And GDC's claim that an extension “does not materially change our position as current owners”

is contradicted by the Agency's own consultant: Storrs Table 1 estimates the extension raises GDC's net proceeds on a sale from about \$2.0 million to about \$10.6 million — a swing of roughly \$8.6 million.

V. If the concern is tenant retention, a five-year extension is sufficient.

GDC's stated reason for raising this now is that the 2029 tenant decisions turn on the 2032 cliff. A five-year extension resolves that cliff completely and gives the tenants the certainty GDC says they need — it satisfies the entire stated purpose. The requested fourteen-year term serves something else: the roughly \$8.6 million of sale value above, realized on exit. If any extension is granted, we ask that it be limited to five years and renewable on evidence — matching the relief to the retention problem GDC describes and preserving the Board's ability to reassess once the mortgage resolves. If GDC's concern is the tenants and not the exit, a five-year term costs it nothing.

VI. What we ask.

We ask the Board to take no action until the record is complete and the mortgage is resolved. And because GDC represents that an extension “will inure not to the benefit of GDC, but rather to the future health and viability of this center,” we ask that, should the Board approve an extension notwithstanding, it condition that approval on safeguards consistent with that representation. Specifically — before any vote, items 1 through 5; and as conditions of any approval, items 6 through 8:

1. Resolution of the mortgage status after December 31, 2026;
2. Historical and projected tenant sales-tax figures, verified against Department of Taxation and Finance records;
3. Verified employment data — actual jobs, full- and part-time, the number held by Mount Vernon residents, and wages — with an explanation of the figures in the Agency's schedules;
4. An updated economic analysis reflecting the default, the forbearance, and the applicant's current financial condition;
5. Disclosure of whether the property is being marketed for sale, any offers or letters of intent, and the assignment and transfer provisions GDC proposes;
6. Automatic termination of any extension on sale, foreclosure, deed in lieu of foreclosure, or transfer of a controlling interest, leaving any successor owner free to make its own case;
7. Annual certification that the relief is passed through to the tenants as reduced occupancy cost; and
8. Reduction of the benefit in proportion to vacancy.

Items 6 through 8 cost GDC nothing if its stated purpose is accurate; together they keep the benefit with the tenants and operations rather than the owner's sale proceeds.

VII. If the Board acts on the sales-tax rationale, the City — not the schools — should pay for it.

Nothing above changes our request that the Board defer. But if the Board is inclined to act on GDC's sales-tax argument despite the open questions — accepting that TJMaxx and Petco will leave, and that protecting the City's sales-tax revenue justifies an extension — then the remedy that argument points to is a narrow one. The sales tax at stake flows to the City, not to the School District. If the City wishes to secure that revenue, the City should bear the cost of doing so.

In practice, that means structuring the PILOT so that the abatement is absorbed by the City and County shares — the jurisdictions that keep the sales tax — while the School District's share is paid at full value. If the City and County shares, even fully abated, cannot cover the assistance GDC seeks, then the size of the assistance should be reduced to what those shares can fund — not made up out of school revenue. The District does not share in the sales tax this deal is meant to protect, and it cannot spare the property-tax revenue it needs to operate its schools. It should not be asked to fund a benefit it does not receive.

We thank you for your leadership on this matter.

Sincerely,



/s/ *Donna Marable*

Chris McDonough, Ph.D.
Trustee, MVCSD

Donna Marable, Ed.D.
Board President, MVCSD

Cc:

- Darren Morton, Comptroller
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