

MEMORANDUM OF UNDERSTANDING

October 5, 2000

Parties to the Memorandum

Glen Cove Industrial Development Agency (IDA)
9 Glen Street
Glen Cove, New York 11542

City of Glen Cove
9 Glen Street
Glen Cove, New York 11542

Incorporated Village of Sea Cliff
Village Hall, Sea Cliff Avenue
Sea Cliff, New York 11579

North Shore Environmental Alliance, Inc.
1 Robert Lane
Glen Head, New York 11545

Present Situation

The City of Glen Cove and the IDA (collectively, the "City") are undertaking the development of property on the north side of Glen Cove Creek, both north and south of Garvies Point Road and Herb Hill Road (the "Waterfront Revitalization Area").

The City's plans include a hotel/conference center, a permanent ferry terminal building, commuter ferry and excursion ferry operations, restaurants, commercial retail shops and other compatible commercial uses (e.g., an aquarium or sports center), a public waterfront esplanade, and required infrastructure (including the extension of Glen Cove Road to Garvies Point Road).

The City has already implemented an excursion ferry to New London, is preparing to implement a commuter ferry to Manhattan, and intends to publish a request for proposals to solicit a developer for the rest of the Waterfront Revitalization Area.

The Village of Sea Cliff (the "Village") and the North Shore Environmental Alliance (the "Alliance") have expressed concerns regarding the potential adverse impacts of the excursion ferry, the commuter ferry and the overall development of the Waterfront Revitalization Area on Hempstead Harbor and the entire North Shore community. Pursuant to this Memorandum of Understanding, the City is willing to adjust and modify

certain aspects of the development plans for the Waterfront Revitalization Area, and the Village and Alliance are willing to cooperate with the City to identify and resolve potential adverse impacts (so that these problems can be eliminated, minimized and/or managed in a mutually acceptable manner) and to support the City's general revitalization and environmental reclamation objectives in the Waterfront Revitalization Area. The Village and Alliance will not oppose the development project as expressly outlined in this Memorandum, provided the IDA is responsive to the concerns of the Glen Cove Creek Redevelopment Commission and any modifications warranted by an EIS.

Purpose of the Memorandum

The purpose of this Memorandum is (1) to set forth the outside parameters of the ferry services and overall development of the Waterfront Revitalization Area, and (2) to establish a framework for the undersigned parties to work together in a spirit of cooperation to achieve the most beneficial outcome for Hempstead Harbor and the entire North Shore community.

Parameters of the Development

The outside parameters of the development include a hotel/conference center, a permanent ferry terminal building, commuter ferry and excursion ferry operations, restaurants, commercial retail shops and other compatible commercial uses (e.g., an aquarium or sports center), a public waterfront esplanade, and the required utility and access infrastructure (including the extension of Glen Cove Road to Garvies Point Road) as expressed in this Memorandum.

While the frequency of the ferry services and the size of the building development shall not exceed the parameters expressed in this Memorandum, the IDA shall be responsive to the advice of the Glen Cove Creek Redevelopment Commission and the findings of the further environmental studies to be conducted with respect to the number of ferries and the site-specific development.

The total gross square footage of new construction of buildings for the entire Waterfront Revitalization Area, including the overall development and the permanent ferry terminal building, shall not exceed seven-hundred-thousand (700,000) square feet.

The hotel/conference center shall be constructed within the now-current zoning height guidelines, shall not exceed two-hundred-and-fifty (250) hotel rooms and shall be constructed in a Victorian style that emphasizes aesthetics and minimizes the impact of the building's profile against the hillside to the north. Although the plans are to locate the building near the mouth of the creek, the building shall be set back from the waterfront to the extent practicable in order to provide as large a green landscaped buffer between the building and the pedestrian esplanade as possible.

The location of the permanent ferry terminal shall be moved eastward from the mouth of the creek to a site on or about the former Li Tungsten property. The ferries will dock, load and unload passengers, and turn around in a boat basin to be constructed at this site. Construction of the boat basin shall be contingent on the preparation of an environmental impact statement (EIS) and any necessary permits from the applicable governmental agencies.

There will be no car ferry.

It shall be in the best interest of the development to eliminate visible parking, whether for the ferry or any other part of the overall development, from the area in the vicinity of the mouth of the creek. Parking for the ferries shall be constructed adjacent to the permanent terminal.

Mondays through Fridays there shall be a maximum of four (4) morning dockings for commuter trips, four (4) afternoon/evening dockings for commuter trips and four (4) dockings for excursion trips. Weekends, there shall be a maximum of ten (10) ferry dockings per day (combined commuter and excursion).

There shall be safe-harbor hours each day between 10:30 a.m. and 3:30 p.m. during which time no ferries shall operate from or to the creek, with the exception of a single return trip from September through May. It shall be the intent of the parties to maximize and expand the safe-harbor hours as much as possible.

There shall be an environmental impact statement (EIS) regarding the ferries and the construction and use of the permanent ferry terminal and parking facilities on or at the Li Tungsten property. The EIS will address, among other things, the impact from the total number of allowed ferries, including their emissions, noise, effect on water quality, contribution to silting and potential interference with junior sailing programs in the harbor. The EIS shall include a traffic study that will examine the traffic effects of the ferry operations on the surrounding communities' feeder roads and streets, including but not limited to, Prospect Avenue and Glen Cove Avenue in Sea Cliff, and the Northern Boulevard intersections at Route 107, at Glen Cove Road, and at Bryant Avenue.

With regard to the proposed hotel/conference center, the IDA shall refer site specific plans, along with any concerns raised by the Glen Cove Creek Redevelopment Commission, to the GEIS consultants for a determination of consistency with the GEIS findings.

Pending completion of the EIS and the construction of the permanent ferry terminal (including the ferry parking and boat basin) on the former Li Tungsten property (estimated at approximately 18 to 24 months), the excursion and commuter ferries will operate from the temporary location at the mouth of the creek with a total combined number of dockings not to exceed eight (8) per day.

Framework for Cooperation

While the parties recognize that this Memorandum of Understanding does not obviate any legal rights they may otherwise have, the City, the Village and the Alliance shall work together in good faith and in a cooperative spirit to minimize any potential adverse impact of the development of the Waterfront Revitalization Area on Hempstead Harbor and the surrounding North Shore community. To this end, there will be a Glen Cove Creek Redevelopment Commission chaired by the mayors of the City and the Village. The Commission shall consist of six members in addition to the mayors, to wit: a City council person or other City representative, two individuals to be appointed by the mayor of the City, a Village trustee or other Village representative, and two representatives of the Alliance. Among the objectives of the Glen Cove Creek Redevelopment Commission shall be to reach consensus and to render advice to the IDA regarding the scope of the environmental impact studies and the application of those studies to the ferry services and overall development of the waterfront. The parties shall also share and respond to ideas and input regarding specific aspects of the development in order to promote harmonious resolutions of any concerns that may arise.

The City shall give the Village and Alliance due notice of any public meetings scheduled with regard to development in the Waterfront Revitalization Area. There shall be direct contact and free exchange of information and documents involving the development in the Waterfront Revitalization Area.

Signatures of the Parties

GLEN COVE INDUSTRIAL
DEVELOPMENT AGENCY

By: Thomas R. Suozzi
Thomas R. Suozzi, Chairman

CITY OF GLEN COVE

By: Thomas R. Suozzi
Thomas R. Suozzi, Mayor

INCORPORATED VILLAGE
OF SEA CLIFF

By: Claudia Moyne
Claudia Moyne, Mayor

NORTH SHORE ENVIRONMENTAL
ALLIANCE, INC.

By: Daniel Maddock
Daniel Maddock, President