

## **Cornerstone Tax Deviation Resolution**

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency at 1550 Franklin Avenue, Mineola, Nassau County, New York, on July 28, 2015 at 5:00 p.m. local time.

The meeting was called to order by the Chairman, upon roll being called, the following members of the Agency were:

### **PRESENT:**

Timothy Williams	Chairman
John Coumatos	Vice Chairman
Gary Weiss	Secretary
Christopher Fusco	Asst. Secretary

### **NOT PRESENT:**

Michael Rodin

### **THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:**

Joseph J. Kearney	Executive Director
Joseph Foarile	Chief Financial Officer
Nicholas Terzulli	Director of Business Development
Edward Ambrosino, Esq.	General Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2015-43 was offered by C. Fusco, seconded by G.

Weiss:

Resolution No. 2015-43

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM  
TAX EXEMPTION POLICY OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT  
TO A PROJECT FOR CORNERSTONE AT FARMINGDALE LLC

WHEREAS, the Nassau County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, CORNERSTONE AT FARMINGDALE LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), presented an application for financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land located at 100 Secatogue Avenue and 143 North Front Street, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 75; Lots: 5-7) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of three-story, approximately 34,400 square foot building on the Land, together with parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "Equipment"), all of the foregoing for use by the Applicant as a residential rental facility consisting of approximately forty-two (42) residential rental units, of which four (4) units shall be affordable workforce housing units (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General

Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Application states that the Applicant is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency's Uniform Tax Exemption Policy (the "Tax Exemption Policy"); and

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused a letter dated July 14, 2015 (the "Pilot Deviation Notice Letter") to be mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on July 28, 2015 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received from the affected tax jurisdictions with respect to the proposed deviation from the Tax Exemption Policy; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 874(4) of the Act with respect to the proposed deviation from the Tax Exemption Policy;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the Tax Exemption Policy.

Section 2. Having reviewed all comments and correspondence received at or prior to the IDA Meeting from the affected tax jurisdictions, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (a copy of which is attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the Project and because the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land (and the existing improvements thereon, if any) as of the closing date of the Project transaction.

Section 3. The Chairman, Vice Chairman, Administrative Director and Executive Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving

resolutions with respect to the proposed straight-lease transaction with the Applicant (the "Transaction"), the Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement with the Applicant providing, among other things, that the Applicant shall make payments in lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 4. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

ADOPTED: July 28, 2015

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Timothy Williams	VOTING	Aye
John Coumatos	VOTING	Aye
Gary Weiss	VOTING	Aye
Christopher Fusco	VOTING	Aye
Michael Rodin	EXCUSED	

The foregoing Resolution was thereupon declared duly adopted.


STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF NASSAU                    )

We, the undersigned ~~[Assistant]~~ Secretary and ~~[Vice]~~ Chairman of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 28, 2015, with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

WE FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 28th day of July, 2015.

  
\_\_\_\_\_  
~~[Vice]~~ Chairman

  
\_\_\_\_\_  
~~[Assistant]~~ Secretary

(SEAL)

**EXHIBIT A**

Pilot Deviation Notice Letter

See Attached

EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
THEODORE ROOSEVELT COUNTY EXECUTIVE & LEGISLATIVE BLDG.  
1550 FRANKLIN AVENUE, SUITE 235  
MINEOLA, NY 11501  
TELEPHONE (516) 571-1945 FAX (516) 571-1076  
[www.nassaida.org](http://www.nassaida.org)

July 14, 2015

**CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL**

Supervisor John Venditto  
Town of Oyster Bay  
54 Audrey Avenue  
Oyster Bay, NY 11771

**NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY**

Dear Supervisor John Venditto:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on July 28, 2015, at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

CORNERSTONE AT FARMINGDALE LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), presented an application for financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land located at 100 Secatogue Avenue and 143 North Front Street, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 75; Lots: 5-7) (collectively, the "Land"), (2) the demolition of the

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existing structures on the Land, (3) the construction of three-story, approximately 34,400 square foot building on the Land, together with parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "Equipment"), all of the foregoing for use by the Applicant as a residential rental facility consisting of approximately forty-two (42) residential rental units, of which four (4) units shall be affordable workforce housing units (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the Applicant is requesting that the Agency agree to grant an approximately twenty (20) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility with annual payments not less than the follow amounts for the following years of the term of the Property Tax Exemption:

<u>Year</u>	<u>PILOT Payment</u>
1	Base Year PILOT Amount
2	Base Year PILOT Amount
3	\$2,500 per residential unit (with a minimum of 42 units)
4	Year 3 PILOT Payment increased by 1.66%
5	Year 4 PILOT Payment increased by 1.66%
6	Year 5 PILOT Payment increased by 1.66%
7	Year 6 PILOT Payment increased by 1.66%
8	Year 7 PILOT Payment increased by 1.66%
9	Year 8 PILOT Payment increased by 1.66%
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13	Year 12 PILOT Payment increased by 1.66%
14	Year 13 PILOT Payment increased by 1.66%
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18	Year 17 PILOT Payment increased by 1.66%
19	Year 18 PILOT Payment increased by 1.66%
20	Year 19 PILOT Payment increased by 1.66%

As used above, the term "Base Year PILOT Amount" shall mean one hundred percent (100%) of the real property taxes and assessments that are levied upon the Land (and the improvements thereon, if applicable) as of the closing date of the Project transaction without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility. In calculating the Base Year PILOT Amount, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the closing.

Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land (and the existing improvements thereon, if any) as of the closing date of the Project transaction.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Joseph J. Kearney  
Executive Director

EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
THEODORE ROOSEVELT COUNTY EXECUTIVE & LEGISLATIVE BLDG.  
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www.nassauida.org

July 14, 2015

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

Mayor Ralph Ekstrand  
Incorporated Village of Farmingdale  
361 Main Street  
Farmingdale, NY 11735

NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY

Dear Mayor Ralph Ekstrand:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on July 28, 2015, at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

CORNERSTONE AT FARMINGDALE LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), presented an application for financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land located at 100 Secatogue Avenue and 143 North Front Street, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 75; Lots: 5-7) (collectively, the "Land"), (2) the demolition of the

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existing structures on the Land, (3) the construction of three-story, approximately 34,400 square foot building on the Land, together with parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "Equipment"), all of the foregoing for use by the Applicant as a residential rental facility consisting of approximately forty-two (42) residential rental units, of which four (4) units shall be affordable workforce housing units (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the Applicant is requesting that the Agency agree to grant an approximately twenty (20) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility with annual payments not less than the follow amounts for the following years of the term of the Property Tax Exemption:

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Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

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Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney  
Executive Director

EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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July 14, 2015

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RECEIPT REQUESTED and  
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Superintendent John Lorentz  
Farmingdale Union Free School District  
50 Van Cott Avenue  
Farmingdale, NY 11735

NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY

Dear Superintendent John Lorentz:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on July 28, 2015, at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York, the Agency will consider whether to approve the application of the Applicant (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

CORNERSTONE AT FARMINGDALE LLC, a limited liability company organized and existing under the laws of the State of Delaware and qualified to do business in the State of New York as a foreign limited liability company (the "Applicant"), presented an application for financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land located at 100 Secatogue Avenue and 143 North Front Street, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 75; Lots: 5-7) (collectively, the "Land"), (2) the demolition of the

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Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Joseph J. Kearney  
Executive Director

EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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County Executive Edward P. Mangano  
County of Nassau  
1550 Franklin Avenue  
Mineola, NY 11501

**NOTICE OF PROPOSED DEVIATION FROM  
UNIFORM TAX EXEMPTION POLICY**

County Executive Edward P. Mangano:

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19	Year 18 PILOT Payment increased by 1.66%
20	Year 19 PILOT Payment increased by 1.66%

As used above, the term "Base Year PILOT Amount" shall mean one hundred percent (100%) of the real property taxes and assessments that are levied upon the Land (and the improvements thereon, if applicable) as of the closing date of the Project transaction without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility. In calculating the Base Year PILOT Amount, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the closing.

Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

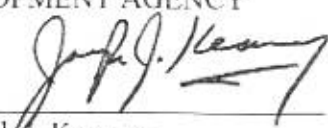
The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project and that the PILOT payments would not be lower than the real property taxes that would otherwise apply with respect to the Land (and the existing improvements thereon, if any) as of the closing date of the Project transaction.

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:

  
Joseph J. Kearney  
Executive Director