Farmingdale Development 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, Suite 235, Mineola, Nassau County, New York, on June 11, 2013, at 5:00 p.m. local time.

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

PRESENT:

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

ABSENT:

John T. Ahern

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney Joseph Foarile Colleen Pereira Mary Dolan Grippo Nicholas Terzulli Edward Ambrosino, Esq. Paul O'Brien, Esq. Milan Tyler, Esq. Executive Director Chief Financial Officer Administrative Director Chief Marketing Officer Director of Business Development General Counsel Bond/Transaction Counsel Bond/Transaction Counsel

The attached resolution no. 2013-46 was offered by G. Weiss, seconded by J. Coumatos:

Resolution No. 2013-46

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM TAX EXEMPTION POLICY OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO A PROJECT FOR FARMINGDALE DEVELOPMENT COMPANY, L.P.

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, 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, Farmingdale Development Company, L.P. (the "Applicant") submitted an application for financial assistance (the "Application") to the Agency requesting 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 120 Secatogue Avenue, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 77; Lot: 69) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of an approximately 161,100 square foot building on the Land, including underground parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a mixed-use facility consisting of approximately 13,200 square feet of commercial space and 115 residential rental apartments, a portion of which shall be affordable 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, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes; 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, the Executive Director of the Agency (A) caused letters dated March 6, 2013, April 3, 2013, May 13, 2013 and June 4, 2013 (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 June 11, 2013 (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) conducted the IDA Meeting on the date hereof and reviewed any written 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 written comments and correspondence received prior to the IDA Meeting from the affected tax jurisdictions and having heard all comments made at this meeting, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the Pilot Deviation Notice Letter (copies of which are attached hereto as <u>Exhibit A</u>) because the proposed deviation is necessary to induce the Applicant to undertake the Project and the real property taxes allocable to the Project Facility would not be decreased below their current levels.

Section 3. The Chairman, Vice Chairman, Executive Director and Administrative 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.

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

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	No
John T. Ahern	ABSENT	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

COUNTY OF NASSAU

I, the undersigned (Assistant) Secretary of Nassau County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on June 11, 2013 with the original and of such resolution set forth therein and of the whole of such original so far as the same relates to the subject matters therein referred to.

))SS.:

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all aspects 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.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this In. day of June, 2013.

1-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.nassauida.org June 4, 2013

CERTIFIED MAIL, RETURN RECEIPT REQUESTED and FIRST CLASS MAIL

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

NOTICE OF RESCHEDULED MEETING FOR PROPOSED DEVIATION FROM UNIFORM TAX EXEMPTION POLICY

Dear Mayor Ekstrand:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 11, 2013 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 Farmingdale Development Company, L.P., a limited partnership organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant") 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.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of improved land located at 120 Secatogue Avenue, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 77; Lot: 69) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of an approximately 161,100 square foot building on the Land, including underground parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a mixed-use facility consisting of approximately 13,200 square feet of commercial space and 115 residential rental apartments, a portion of which shall be affordable 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, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes; 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 parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twenty (20) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land, such amount to be determined by the Agency based on the most recent assessment data available to the Agency as of the closing (including any applicable approved tax certiorari stipulation with the applicable tax assessor(s)), which amount shall be increased by three percent (3%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the closing including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to <u>Exhibit A</u> attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, Village Tax Bills and General Tax Bills based on the most recent data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Closing Date.

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 as of the closing.

Prior notice of a deviation from the Policy was given by the Agency by letter dated March 6, 2013 with respect to a meeting of the members of the Agency to be held on March 21, 2013 and by letter dated April 3, 2013 with respect to a meeting of the members of the Agency to be held on April 11, 2013 and by letter dated May 13, 2013 with respect to a meeting of the members of the Agency to be held on May 24, 2013. Those meetings were adjourned without action on this matter. This letter constitutes notice of the re-scheduled meeting of the Agency to consider the deviation set forth above.

Sincerely,

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: seph J. Kearney

Executive Director

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		1.2668			

Exhibit A

	BASE PILOT + IMPROVEMENT PILOT	AV*PILOT RATE	100% of taxes as of year of Closing *1.6528	21
			100% of taxes as of year of Closing *1.6047	8
			100% of taxes as of year of Closing *1.5580	6
•			*1.5126	
	BASE PILOT + IMPROVEMENT PILOT	AV*PILOT RATE	100% of taxes as of year of Closing	18
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	RASE PILOT + IMPROVEMENT PILOT		*1.3842	
•	BASE PILOT + IMPROVEMENT PILOT	AV*PILOT RATE	100% of taxes as of year of Closing	15
	BASE PILUI + IMPROVEMENT FILUI	AV*PILOT RATE	100% of taxes as of year of Closing *1.3439	14
	BASE PILOT + IMPROVEMENT PILOT	AV*PILOT RATE	100% of taxes as of year of Closing *1.3048	13
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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.nassauida.org

June 4, 2013

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 RESCHEDULED MEETING FOR PROPOSED DEVIATION FROM UNIFORM TAX EXEMPTION POLICY

Dear Supervisor Venditto:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 11, 2013 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 Farmingdale Development Company, L.P., a limited partnership organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant") 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.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of improved land located at 120 Secatogue Avenue, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York

(Section: 49; Block: 77; Lot: 69) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of an approximately 161,100 square foot building on the Land, including underground parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a mixed-use facility consisting of approximately 13,200 square feet of commercial space and 115 residential rental apartments, a portion of which shall be affordable 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, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes; 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 parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twenty (20) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land, such amount to be determined by the Agency based on the most recent assessment data available to the Agency as of the closing (including any applicable approved tax certiorari stipulation with the applicable tax assessor(s)), which amount shall be increased by three percent (3%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the

closing including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to <u>Exhibit A</u> attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, Village Tax Bills and General Tax Bills based on the most recent data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Closing Date.

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 as of the closing.

Prior notice of a deviation from the Policy was given by the Agency by letter dated March 6, 2013 with respect to a meeting of the members of the Agency to be held on March 21, 2013 and by letter dated April 3, 2013 with respect to a meeting of the members of the Agency to be held on April 11, 2013 and by letter dated May 13, 2013 with respect to a meeting of the members of the Agency to be held on May 24, 2013. Those meetings were adjourned without action on this matter. This letter constitutes notice of the re-scheduled meeting of the Agency to consider the deviation set forth above.

Sincerely,

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: seph J. Kearney

Executive Director

ŀ				
Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
			Fnase-In	
•	Closing Date	1 day prior to Effective Date	N/A	N/A/
- ~	Effective Date	1 vr Anniversarv of Effective Date	.00 * AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
1 9	1 vr Anniversary of Effective Date	2 vr Anniversary of Effective Date	.05 * AV	RATE
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r u	3 vr Anniversary of Effective Date	4 vr Anniversary of Effective Date	.15 * AV	RATE * 1.03
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- α	6 vr Anniversary of Effective Date	7 yr Anniversary of Effective Date	30 * AV	RATE * 1.1255
σ	7 vr Anniversary of Effective Date	8 vr Anniversary of Effective Date	.35 * AV	RATE * 1.1593
, ₽	R vr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.40 * AV	RATE * 1.1941
2 5	9 vr Anniversary of Effective Date	10 yr Anniversary of Effective Date	45 * AV	RATE * 1.2299
-	10 vr Anniversary of Effective Date	11 yr Anniversary of Effective Date	.50 * AV	RATE * 1.2668
1 62	11 vr Anniversary of Effective Date	12 yr Anniversary of Effective Date	.55 * AV	RATE * 1.3048
14	12 vr Anniversarv of Effective Date	13 yr Anniversary of Effective Date	.60 * AV	RATE * 1.3439
5	13 vr Anniversary of Effective Date	14 yr Anniversary of Effective Date	.65 * AV	RATE * 1.3842
54	14 vr Anniversary of Effective Date	15 vr Anniversary of Effective Date	.70 * AV	RATE * 1.4258
2 [15 vr Anniversary of Effective Date	16 vr Anniversary of Effective Date	.75 * AV	RATE * 1.4685
- 4	16 vr Anniversary of Effective Date	17 vr Anniversary of Effective Date	.80 * AV	RATE * 1.5126
2	17 yr Anniversary of Effective Date	18 vr Anniversary of Effective Date	.85 * AV	RATE * 1.5580
2	12 Vr Anniversary of Effective Date	19 vr Anniversary of Effective Date	.90 * AV	RATE * 1.6047
3 2	19 vr Anniversary of Effective Date	20 yr Anniversary of Effective Date	.95 * AV	RATE * 1.6528
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Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
		100 of -first an of Charles	BASE BILOT + IMBROVEMENT BILOT	
1	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing		
7	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOI + IMPROVEMENT PILOI	
ŝ	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOI + IMPROVEMENT PILOI	
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOI + IMPROVEMENT PILOI	
2	100% of taxes as of year of Closing * 1.03	AV*PILOT RATE		
ဖ	100% of taxes as of year of Closing *1.0609	AV*PILOT RATE	BASE PLOI + IMPROVEMENT FILOT	
2	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
Ţ	1.1941 100% of taves as of vear of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
-	1.2299			
12	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOI + IMPROVEMENI PILOI	
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Exhibit A

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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.nassauida.org

June 4, 2013

CERTIFIED MAIL, RETURN RECEIPT REQUESTED and FIRST CLASS MAIL

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

NOTICE OF RESCHEDULED MEETING FOR PROPOSED DEVIATION FROM UNIFORM TAX EXEMPTION POLICY

Dear Superintendent Lorentz:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 11, 2013 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 Farmingdale Development Company, L.P., a limited partnership organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant") 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.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of improved land located at 120 Secatogue Avenue, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York (Section: 49; Block: 77; Lot: 69) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of an approximately 161,100 square foot building on the Land, including underground parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a mixed-use facility consisting of approximately 13,200 square feet of commercial space and 115 residential rental apartments, a portion of which shall be affordable 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, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes; 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 parties contemplate that the Agency may agree to grant a real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows:

(i) for the period commencing on the date of the closing of the Project transaction (the "Closing Date") to and including the day prior to the Effective Date, payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Project Facility without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility to the Agency; and

(ii) for the period commencing on the Effective Date and continuing for twenty (20) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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.

For the purposes of the foregoing, the following terms shall have the following meanings:

(a) "BASE PILOT" shall be deemed to mean the amount of all real property taxes and assessments that would be payable on the Land, such amount to be determined by the Agency based on the most recent assessment data available to the Agency as of the closing (including any applicable approved tax certiorari stipulation with the applicable tax assessor(s)), which amount shall be increased by three percent (3%) per year (compounded) after the third (3rd) fiscal tax year. Except as set forth in the immediately preceding sentence, the BASE PILOT shall not increase or decrease during the term of the PILOT Agreement. The BASE PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions. In calculating the Base PILOT, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the closing including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to <u>Exhibit A</u> attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, Village Tax Bills and General Tax Bills based on the most recent data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

(c) "Effective Date" shall be deemed to mean for each affected tax jurisdiction the first day of the first fiscal tax year occurring after the first tax status date occurring after the Closing Date.

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 as of the closing.

Prior notice of a deviation from the Policy was given by the Agency by letter dated March 6, 2013 with respect to a meeting of the members of the Agency to be held on March 21, 2013 and by letter dated April 3, 2013 with respect to a meeting of the members of the Agency to be held on April 11, 2013 and by letter dated May 13, 2013 with respect to a meeting of the members of the Agency to be held on May 24, 2013. Those meetings were adjourned without action on this matter. This letter constitutes notice of the re-scheduled meeting of the Agency to consider the deviation set forth above.

Sincerely,

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:

Soseph J. Kearney Executive Director

Exhibit A

	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	AV*PILOT RATE	of Closing AV*PILOT RATE BASE PILOT + IMPROVEMENT PILOT
1.2668	100% of taxes as of year of Closing *1.3048	100% of taxes as of year of Closing *1.3439	100% of taxes as of year of Closing *1.3842	100% of taxes as of year of Closing *1.4258	100% of taxes as of year of Closing *1.4685	100% of taxes as of year of Closing *1.5126	100% of taxes as of year of Closing *1.5580	100% of taxes as of year of Closing *1.6047	100% of taxes as of year of Closing *1.6528

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.nassauida.org

June 4, 2013

CERTIFIED MAIL, RETURN RECEIPT REQUESTED and <u>FIRST CLASS MAIL</u>

County Executive Edward P. Mangano County of Nassau 1550 Franklin Avenue Mineola, NY 11501

NOTICE OF RESCHEDULED MEETING FOR PROPOSED DEVIATION FROM UNIFORM TAX EXEMPTION POLICY

Dear County Executive Mango:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 11, 2013 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 Farmingdale Development Company, L.P., a limited partnership organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant") 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.

The Applicant has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of improved land located at 120 Secatogue Avenue, Incorporated Village of Farmingdale, Town of Oyster Bay, County of Nassau, New York

(Section: 49; Block: 77; Lot: 69) (collectively, the "Land"), (2) the demolition of the existing structures on the Land, (3) the construction of an approximately 161,100 square foot building on the Land, including underground parking and other related improvements to the Land (collectively, the "Building"), and (4) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a mixed-use facility consisting of approximately 13,200 square feet of commercial space and 115 residential rental apartments, a portion of which shall be affordable 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, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes; 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.

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(ii) for the period commencing on the Effective Date and continuing for twenty (20) full fiscal tax years thereafter, fixed payments equal to the sum of the BASE PILOT and the IMPROVEMENT PILOT.

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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closing including any applicable approved tax certiorari stipulation or other settlement or arrangement with the applicable tax assessor(s).

(b) "IMPROVEMENT PILOT" shall be deemed to mean the product of the following amounts, as determined by the Agency: (i) the Assessed Value of the Improvement, (ii) the PILOT Rate, and (iii) the number 0.01, as phased in and adjusted pursuant to <u>Exhibit A</u> attached hereto. The term "Assessed Value of the Improvement" shall be deemed to mean the product of (y) the fair market value of the Project Facility (less the market value used in the calculation of the BASE PILOT) for real property tax valuation purposes, computed as of the estimated date of completion, as determined by the Agency using a methodology reasonably selected by the Agency, and (z) the level of assessment used by the Nassau County Assessor as of the year in which the Closing Date occurs. The PILOT Rate shall be evidenced by School Tax Bills, Village Tax Bills and General Tax Bills based on the most recent data available to the Agency as of the year in which the Closing Date occurs. The IMPROVEMENT PILOT shall be reduced by any special taxes, assessments or levies that the Applicant is required to pay separately to the affected tax jurisdictions.

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Sincerely,

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By

Executive Director

Period	Beain	End	Assessed Value of Improvement ("AV") Phase-In	PILOI KAIE
				NA
-	Closing Date	1 day prior to Effective Uate		SI IM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
~ ~	Effective Date	2 vr. Anniversary of Effective Date	05 * AV	RATE
n =	yr Anniversary o'r Effective Date	3 vr Anniversary of Effective Date	.10 * AV	RATE
4 4	2 yr Anniversary o' Effective Date	4 vr Anniversary of Effective Date	.15 * AV	RATE * 1.03
n «	3 yr Anniversany o'r Eirective Dafe	5 vr Anniversary of Effective Date	.20 * AV	RATE * 1.0609
7	5 vr Anniversary of Effective Date	6 vr Anniversary of Effective Date	.25 * AV	RATE * 1.0927
- ~	6 vr Anniversary of Effective Date	7 yr Anniversary of Effective Date	.30 * AV	RATE * 1.1255
6	7 vr Anniversary of Effective Date	8 yr Anniversary of Effective Date	.35 * AV	RATE * 1.1593
9	8 vr Anniversary of Effective Date	9 yr Anniversary of Effective Date	.40 * AV	RATE * 1.1941
11	9 vr Anniversary of Effective Date	10 yr Anniversary of Effective Date	.45 * AV	RAIE * 1.2299
12	10 yr Anniversary of Effective Date		.50 * AV	RAIE * 1.2008
13	11 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	.55 * AV	KALE "1.3048 DATE # 1.2020
4	12 yr Anniversary of Effective Date	13 yr Anniversary of Effective Date	.60 * AV	KAIE 1.3438 DATE # 4 2042
5	13 yr Anniversary of Effective Date	14 yr Anniversary of Effective Date.		RALE 1.3042
16	14 yr Anniversary of Effective Date	15 yr Anniversary of Effective Date		TALE 1.4200
17	15 yr Anniversary of Effective Date		./5 * AV	DATE + 1 5105
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19	17 yr Anniversary of Effective Date	18 yr Anniversary of Effective Date	00, AV	DATE 1,000
8	18 yr Anniversary of Effective Date	19 yr Anniversary of Effective Date		DATE #16508
21	19 yr Anniversary of Effective Date	20 yr Anniversary of Effective Date	AN CR.	
Period	BASE PILOT	IMPROVEMENT PILOL		
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2	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOI + IMPROVEMENT PILOI	
ო	100% of taxes as of year of Closing	AV*PILOT RATE		
4	100% of taxes as of year of Closing	AV*PILOT RATE	BASE PILOI + IMPRUVEMENT PILOI	
2	100% of taxes as of year of Closing * 1.03	AV*PILOT RATE		
9	100% of taxes as of year of Closing *1.0609	AV*PILOI RAIE		
7	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	1.1941 100% of taxes as of year of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
\$	1.2299 100% of taxes as of vear of Closing *	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	Building in internation and in each and in 0/ 001			

Exhibit A

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	BASE PILUI + IMPROVEMENT FILUI	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	BASE PILOT + IMPROVEMENT PILOT	
					AV*PILOT RATE	AV*PILOT RATE			AV*PILOT RATE	
1.2668	100% of taxes as of year of Closing *1.3048	100% of taxes as of year of Closing *1.3439	100% of taxes as of year of Closing *1.3842	100% of taxes as of year of Closing *1.4258	100% of taxes as of year of Closing *1.4685	100% of taxes as of year of Closing *1.5126	100% of taxes as of year of Closing *1.5580	100% of taxes as of year of Closing *1.6047	100% of taxes as of year of Closing *1.6528	
	13	14	15	16	12	18	19	50	21	