

## Steel One 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 May 13, 2015, 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	Chairman
John Coumatos	Vice Chairman
Christopher Fusco	Asst. Secretary
Gary Weiss	Secretary
Michael Rodin	

### ABSENT:

### THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director
Joseph Foarile	Chief Financial Officer
Colleen Pereira	Administrative Director
Nicholas Terzulli	Director of Business Development
Edward Ambrosino, Esq.	General Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel
Dan Deegan, Esq.	Applicant's Counsel
Joseph Lostritto	Applicant's Principal

The attached resolution no. 2015-26 was offered by J. Coumatos, seconded by :

Resolution No. 2015-26

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM  
TAX EXEMPTION POLICY OF THE NASSAU COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT  
TO A PROJECT FOR STEEL ONE, 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, STEEL ONE, 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"), 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 an existing building complex (the "Building") on a certain parcel of land located at 1 & 15 Grumman Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: 323; Lot: 248) (the "Land"), (2) the renovation of the Building, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use as a multi-tenant commercial office/industrial facility (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 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, on or about May 30, 2013, the Applicant entered into a "straight lease" transaction with the Agency under the Act pursuant to, inter alia, a certain Sublease Agreement, dated as of May 1, 2013, between the Agency and the Applicant (as amended, modified, supplemented and restated, the "Lease Agreement"); and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement, dated as of May 1, 2013, between the Applicant and the Agency (as amended, modified, supplemented and restated, collectively, the "Existing PILOT Agreement"), the Applicant agreed to make certain payments in lieu of real property taxes with respect to the Land and the improvements thereon, and such obligation is secured by a certain Mortgage and Assignment of Leases and Rents, dated as of May 1, 2013 (as amended, modified, supplemented and restated, the "PILOT Mortgage"), made by the Applicant and the Agency, as mortgagors, in favor of the County of Nassau, as mortgagee (in such capacity, the "PILOT Mortgagee"), pursuant to which the Agency and the Applicant granted a first mortgage on the Land and the improvements thereon to the PILOT Mortgagee; and

WHEREAS, the Applicant has requested the granting of certain additional "financial assistance" (within the meaning of Section 854(14) of the Act), in the form of a potential exemption or partial exemption from real property taxes (collectively, the "Additional Financial Assistance"); and

WHEREAS, the Additional Financial Assistance would represent a deviation from the Agency's uniform tax exemption policy (the "Tax Exemption Policy") with respect to the making of payments in lieu of real property taxes; and

WHEREAS, pursuant to Section 874(4) of the Act, the Executive Director of the Agency (A) caused a letter dated April 28, 2015 (collectively, 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 May 13, 2015 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the amended and restated 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. The Agency hereby determines that the Applicant's request with respect to a previously approved and unchanged Project is a Type II Action pursuant to SEQRA involving "continuing agency administration" which does not involve "new programs or major reordering of priorities that may affect the environment" (6 NYCRR §617.5(c)(20)) and therefore no Findings or determination of significance are required under Article 8 of the New York Environmental Conservation Law.

Section 3. Having reviewed all written comments and correspondence received 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 (copies of which are attached hereto as Exhibit A) because such deviation (i) is necessary to maintain the economic viability of the Project Facility and (ii) the PILOT Payment for the first year of the term under the amended and restated payment in lieu of taxes agreement would not be less than the payment that should otherwise apply with respect to the Project Facility taking into account any applicable approved tax certiorari stipulation or other settlement with the applicable tax assessor(s).

Section 4. 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 amendment and restatement of the Existing PILOT Agreement (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 an Amended and Restated Payment in Lieu of Taxes Agreement with the Applicant providing, among other things, that the Applicant shall make amended payments in lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an amended application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 5. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

ADOPTED: May 13, 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	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

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

We, the undersigned [~~Vice~~] Chairman and [Assistant] Secretary 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 May 13, 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 13<sup>th</sup> day of May, 2015.

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

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

(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) 571-1976  
www.nassauida.org

April 28, 2015

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

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

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

County Executive Edward Mangano:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on May 13, 2015 at 5:00 p.m. at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve an application from STEEL ONE, LLC, a limited liability company 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 represent a deviation from the Agency's Uniform Tax Exemption Policy and Guidelines (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

The Applicant and the Agency are parties to a Payment in Lieu of Taxes Agreement dated as of May 1, 2013 (as amended, modified, supplemented or restated to date, the "Existing PILOT Agreement") pursuant to which the Agency granted an exemption from real property taxes to the Applicant with respect to the existing facility, and the improvements thereon, on certain land commonly known as 1 & 15 Grumman Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: 323; Lot: 248) (the "Facility").

# 15-155104.3



The Applicant has requested that the Agency provide financial assistance for the Applicant in the form of an amended exemption from real property taxes with respect to the Facility (the "Financial Assistance").

Based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an amended real property tax exemption (the "Amended Property Tax Exemption") with respect to the Facility such that the Applicant would pay the PILOT Payments as more particularly set forth under "Base Term" in Exhibit A attached hereto. If the Applicant timely and properly satisfies certain performance standards related to occupancy levels and job covenants with respect to the Project as set forth in the amended transaction documents between the Applicant and the Agency, the Applicant shall have the right to an additional seven (7) year tax exemption with respect to the Project Facility pursuant to which the Applicant would pay the PILOT Payments as more particularly set forth under "Extension Term" in Exhibit A attached hereto.

After the expiration of the term of the Amended Property Tax Exemption, and through the end of the period in which the Agency has an interest in the Facility, the payments would be equal to the real property taxes that would be payable as if the Facility were returned to the tax rolls as taxable real 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 Amended Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reasons for the proposed deviation from the Policy are that the Amended Property Tax Exemption, if approved by the Agency, (i) is necessary to maintain the economic viability of the Facility and (ii) the PILOT Payment for the first year of the term under the Amended Property Tax Exemption is not less than the payment that should otherwise apply with respect to the Facility taking into account any applicable approved tax certiorari stipulation or other settlement with the applicable tax assessor(s).

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney  
Executive Director

**EXHIBIT A**

Amended Property Tax Exemption

**Amended PILOT Payments**

<b><u>PILOT Yr.</u></b>	<b><u>Tax Year</u></b>	<b><u>Base Term</u></b>
1	2016 2015/16	\$705,000
2	2017 2016/17	\$705,000
3	2018 2017/18	\$705,000
4	2019 2018/19	\$705,000
5	2020 2019/20	\$705,000
6	2021 2020/21	\$705,000
7	2022 2021/22	\$705,000
8	2023 2022/23	\$705,000
9	2024 2023/24	\$705,000
10	2025 2024/25	\$705,000
11	2026 2025/26	\$705,000
12	2027 2026/27	\$705,000
13	2028 2027/28	\$705,000
14	2029 2028/29	\$705,000
15	2030 2029/30	Year 14 PILOT Payment increased by the greater of (a) 2% or (b) the then applicable New York State Property Tax Cap <sup>1</sup> (the "NYSPTC"), if any
16	2031 2030/31	Year 15 PILOT Payment increased by the greater of (a) 2% or (b) the then applicable NYSPTC, if any
17	2032 2031/32	Year 16 PILOT Payment increased by the greater of (a) 2% or (b) the then applicable

<sup>1</sup> New York State Property Tax Cap refers to the property tax cap imposed pursuant to Chapter 97 of the New York State Laws of 2011, as amended.

		NYSPTC, if any
18	2033 2032/33	Year 17 PILOT Payment increased by the greater of (a) 2%, or (b) the then applicable NYSPTC, if any
19	2034 2033/34	Year 18 PILOT Payment increased by the greater of (a) 2%, or (b) the then applicable NYSPTC, if any
20	2035 2034/35	Year 19 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
21	2036 2035/36	Year 20 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
22	2037 2036/37	Year 21 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
23	2038 2037/38	Year 22 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
24	2039 2038/39	Year 23 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
		<b><u>Extension Term</u></b>
25	2040 2039/40	Year 24 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
26	2041 2040/41	Year 25 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
27	2042 2041/42	Year 26 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
28	2043 2042/43	Year 27 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
29	2044 2043/44	Year 28 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
30	2045 2044/45	Year 29 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
31	2046 2045/46	Year 30 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any

EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

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[www.nassaida.org](http://www.nassaida.org)

April 28, 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 AND GUIDELINES**

Supervisor John Venditto:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on May 13, 2015 at 5:00 p.m. at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve an application from STEEL ONE, LLC, a limited liability company 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 represent a deviation from the Agency's Uniform Tax Exemption Policy and Guidelines (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

The Applicant and the Agency are parties to a Payment in Lieu of Taxes Agreement dated as of May 1, 2013 (as amended, modified, supplemented or restated to date, the "Existing PILOT Agreement") pursuant to which the Agency granted an exemption from real property taxes to the Applicant with respect to the existing facility, and the improvements thereon, on certain land commonly known as 1 & 15 Gramman Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: 323; Lot: 248) (the "Facility").

The Applicant has requested that the Agency provide financial assistance for the Applicant in the form of an amended exemption from real property taxes with respect to the Facility (the "Financial Assistance").

Based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an amended real property tax exemption (the "Amended Property Tax Exemption") with respect to the Facility such that the Applicant would pay the PILOT Payments as more particularly set forth under "Base Term" in Exhibit A attached hereto. If the Applicant timely and properly satisfies certain performance standards related to occupancy levels and job covenants with respect to the Project as set forth in the amended transaction documents between the Applicant and the Agency, the Applicant shall have the right to an additional seven (7) year tax exemption with respect to the Project Facility pursuant to which the Applicant would pay the PILOT Payments as more particularly set forth under "Extension Term" in Exhibit A attached hereto.

After the expiration of the term of the Amended Property Tax Exemption, and through the end of the period in which the Agency has an interest in the Facility, the payments would be equal to the real property taxes that would be payable as if the Facility were returned to the tax rolls as taxable real 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 Amended Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reasons for the proposed deviation from the Policy are that the Amended Property Tax Exemption, if approved by the Agency, (i) is necessary to maintain the economic viability of the Facility and (ii) the PILOT Payment for the first year of the term under the Amended Property Tax Exemption is not less than the payment that should otherwise apply with respect to the Facility taking into account any applicable approved tax certiorari stipulation or other settlement with the applicable tax assessor(s).

Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney  
Executive Director

**EXHIBIT A**

Amended Property Tax Exemption

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17	2032 2031/32	Year 16 PILOT Payment increased by the greater of (a) 2%, or (b) the then applicable

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EDWARD P. MANGANO  
COUNTY EXECUTIVE



JOSEPH J. KEARNEY  
EXECUTIVE DIRECTOR

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April 28, 2015

CERTIFIED MAIL, RETURN  
RECEIPT REQUESTED and  
FIRST CLASS MAIL

Superintendent Terrence Clark  
Bethpage Union Free School District  
10 Cherry Avenue  
Bethpage, NY 11714

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

Superintendent Terrence Clark:

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4074571047



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Sincerely,

NASSAU COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By:

  
Joseph J. Kearney  
Executive Director

**EXHIBIT A**

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17	2032 2031/32	Year 16 PILOT Payment increased by the greater of (a) 2% or (b) the then applicable

<sup>1</sup> New York State Property Tax Cap refers to the property tax cap imposed pursuant to Chapter 97 of the New York State Laws of 2011, as amended

		NYSPTC, if any
18	2033 2032/33	Year 17 PILOT Payment increased by the greater of (a) 2%, or (b) the then applicable NYSPTC, if any
19	2034 2033/34	Year 18 PILOT Payment increased by the greater of (a) 2%, or (b) the then applicable NYSPTC, if any
20	2035 2034/35	Year 19 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
21	2036 2035/36	Year 20 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
22	2037 2036/37	Year 21 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
23	2038 2037/38	Year 22 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
24	2039 2038/39	Year 23 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
		<b>Extension Term</b>
25	2040 2039/40	Year 24 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
26	2041 2040/41	Year 25 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
27	2042 2041/42	Year 26 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
28	2043 2042/43	Year 27 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
29	2044 2043/44	Year 28 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
30	2045 2044/45	Year 29 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any
31	2046 2045/46	Year 30 PILOT Payment increased by the greater of (a) 3%, or (b) the then applicable NYSPTC, if any