

SLC Development LLC, PILOT Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the Theodore Roosevelt Executive & Legislative Building, Ceremonial Chambers, 1550 Franklin Avenue, Mineola, Nassau County, New York on May 16, 2019 at 6:30 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:

Richard Kessel	Chairman
Lewis M. Warren	Vice Chairman
Anthony Simon	2nd Vice Chairman
Amy Flores	Treasurer
Chris Fusco	Asst. Secretary

NOT PRESENT:

John Coumatos	Asst. Treasurer
Timothy Williams	Secretary

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Harry Coghlan	Chief Executive Officer/Executive Director
Danielle Oglesby	Chief Operating Officer/Deputy Executive Director
Joseph Foarile	Chief Financial Officer
Colleen Pereira	Administrative Director
Thomas D. Glascock	Agency Counsel
Andrew Komaromi	Bond/Transaction Counsel

The attached resolution no. 2019-55 was offered by Anthony Simon, seconded by Amy Flores:

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR SLC DEVELOPMENT 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 1 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, SLC DEVELOPMENT LLC., a limited liability company organized and existing under the laws of the State of New York on behalf of itself and entities formed or to be formed on its behalf (the “Applicant”), has presented an application for financial assistance (the “Application”) to the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in an approximately 4.45 acre parcel of land located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 076; Lot: 15) (the “Land”), (2) the construction of an approximately 207,800 square foot four-story residential facility (collectively, the “Building”) on the Land, together with related improvements to the Land and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the “Equipment”) necessary for the completion thereof (collectively, the “Project Facility”), all of the foregoing for use by the Applicant as a multi-family residential rental facility with approximately 150-units, at least ten percent (10%) of which units shall be affordable units (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/or 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 Chief Executive Officer / Executive Director of the Agency caused a letter dated April 29, 2019 (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 16, 2019 (the "IDA Meeting"), consider a proposed deviation from the Tax Exemption Policy with respect to the payments in lieu of real property taxes to be made pursuant to a 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 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. Prior to making the determinations set forth in this resolution, the members of the Agency have considered the following factors set forth in the Tax Exemption Policy: (1) the extent to which the Project would create or retain permanent jobs; (2) the extent to which the Project would create construction jobs; (3) the estimated value of tax exemptions to be provided with respect to the Project; (4) the amount of private sector investment generated or likely to be generated by the Project; (5) the likelihood of the Project being accomplished in a timely manner; (6) the extent of new revenue that would be provided to affected tax jurisdictions as a result of the Project; (7) whether affected tax jurisdictions would be reimbursed by the Applicant if a Project does not fulfill the purposes for which an exemption was provided, (8) the impact of the Project on existing and proposed businesses and economic development projects in the vicinity, (9) the demonstrated public support for the Project, (10) the effect of the Project on the environment, (11) the extent to which the Project would require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency, medical or fire services, and (12) any other miscellaneous public benefits that might result from the Project.

Section 2. 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 3. Having reviewed all comments and correspondence received at or prior to the IDA Meeting, 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 should otherwise apply with respect to the Land and the existing improvements thereon as of the closing date of the transaction.

Section 4. The Chairman, Vice Chairman, Chief Executive Officer/Executive Director, Chief Operating Officer 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, Chief Executive Officer/Executive Director, Chief Operating Officer 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 5. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

ADOPTED: May 16, 2019

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

Richard Kessel	VOTING Aye
Lewis M. Warren	VOTING Aye
Anthony Simon	VOTING Aye
Timothy Williams	NOT PRESENT
Chris Fusco	VOTING Aye
Amy Flores	VOTING Aye
John Coumatos	NOT PRESENT

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 16, 2019 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 16th day of May, 2019.


[Assistant] Secretary


[Vice] Chairman

(SEAL)

EXHIBIT A

DEVIATION NOTICE



NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY

1 WEST STREET

4TH FLOOR

MINEOLA, NY 11501

TELEPHONE (516) 571-1945 FAX (516) 571-1076

www.nassauida.org

April 29, 2019

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

County Executive Laura Curran
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

Supervisor Laura Gillen
Town of Hempstead
1 Washington Street
Hempstead, NY 11550

Mayor Theresa A. Trouvé
Incorporated Village of Garden City
351 Stewart Avenue
Garden City, NY 11530

Superintendent Dr. Kusum Sinha
Garden City School District
56 Cathedral Avenue
Garden City, NY 11530-216

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

Ladies and Gentlemen:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on May 16, 2019 at 6:30 p.m. local time at the Nassau County Executive & Legislative Building, Ceremonial Chambers, 1550 Franklin Avenue, 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.

SLC DEVELOPMENT, LLC, a limited liability company organized and existing under the laws of the State of New York on behalf of itself and entities formed or to be formed on its behalf, including without limitation, its affiliate, 555 Stewart Garden City, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the "Applicant"), has presented an application for financial assistance (the "Application") to the Agency, which Application requests that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in an approximately 4.45 acre parcel of land located at 555 Stewart Avenue, Village of Garden City, Town of Hempstead, Nassau County, New York (Section: 44; Block: 076; Lot: 15) (the "Land"), (2) the construction of an approximately 207,800 square foot four-story residential facility (collectively, the "Building") on the Land, together with related improvements to the Land and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "Equipment") necessary for the completion thereof (collectively, the "Project Facility"), all of the foregoing for use by the Applicant as a multi-family residential rental facility with approximately 150-units, at least ten percent (10%) of which units shall be affordable units (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/or 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 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 (as defined below), payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied annually upon the Land and the existing improvements thereon as of the date of closing 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-one (21) 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 project agreement, 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 payable on the Land and the existing improvements thereon as of the date of closing, which amount shall be increased by 2.00% per year (compounded) after the first (1st) 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 Date 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 Exhibit A 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 and General Tax Bills based on the most recent assessment 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 following the first taxable status date occurring subsequent to the last to occur of (i) the Agency acquiring an interest in the Project Facility, (ii) the filing by the Agency of the appropriate application for tax exemption with the Nassau County Tax Assessor, and (iii) the acceptance of such Application by such assessor.


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 should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Harry Coghlan

Chief Executive Officer

Period	Begin	End	Assessed Value of Improvement ("AV")	PILOT RATE
	Closing Date	1 day prior to Effective Date	N/A	N/A
	Effective Date			
1	1 yr Anniversary of Effective Date	1 yr Anniversary of Effective Date	0.0000*AV	SUM OF TAX RATES AS OF YEAR OF CLOSING ("RATE")
2	2 yr Anniversary of Effective Date	2 yr Anniversary of Effective Date	0.0000*AV	RATE
3	3 yr Anniversary of Effective Date	3 yr Anniversary of Effective Date	0.0000*AV	RATE
4	4 yr Anniversary of Effective Date	4 yr Anniversary of Effective Date	0.0000*AV	RATE * 1.0200
5	5 yr Anniversary of Effective Date	5 yr Anniversary of Effective Date	0.0556*AV	RATE * 1.0404
6	6 yr Anniversary of Effective Date	6 yr Anniversary of Effective Date	0.1111*AV	RATE * 1.0612
7	7 yr Anniversary of Effective Date	7 yr Anniversary of Effective Date	0.1667*AV	RATE * 1.0824
8	8 yr Anniversary of Effective Date	8 yr Anniversary of Effective Date	0.2222*AV	RATE * 1.1041
9	9 yr Anniversary of Effective Date	9 yr Anniversary of Effective Date	0.2778*AV	RATE * 1.1262
10	10 yr Anniversary of Effective Date	10 yr Anniversary of Effective Date	0.3333*AV	RATE * 1.1487
11	11 yr Anniversary of Effective Date	11 yr Anniversary of Effective Date	0.3889*AV	RATE * 1.1717
12	12 yr Anniversary of Effective Date	12 yr Anniversary of Effective Date	0.4444*AV	RATE * 1.1951
13	13 yr Anniversary of Effective Date	13 yr Anniversary of Effective Date	0.5000*AV	RATE * 1.2190
14	14 yr Anniversary of Effective Date	14 yr Anniversary of Effective Date	0.5556*AV	RATE * 1.2434
15	15 yr Anniversary of Effective Date	15 yr Anniversary of Effective Date	0.6111*AV	RATE * 1.2682
16	16 yr Anniversary of Effective Date	16 yr Anniversary of Effective Date	0.6667*AV	RATE * 1.2936
17	17 yr Anniversary of Effective Date	17 yr Anniversary of Effective Date	0.7222*AV	RATE * 1.3195
18	18 yr Anniversary of Effective Date	18 yr Anniversary of Effective Date	0.7778*AV	RATE * 1.3459
19	19 yr Anniversary of Effective Date	19 yr Anniversary of Effective Date	0.8333*AV	RATE * 1.3728
20	20 yr Anniversary of Effective Date	20 yr Anniversary of Effective Date	0.8889*AV	RATE * 1.4002
20	20 yr Anniversary of Effective Date	21 yr Anniversary of Effective Date	0.9444*AV	RATE * 1.4282
Period	BASE PILOT	IMPROVEMENT PILOT	TOTAL PILOT	
CD	100 % of taxes as of year of Closing	100 % of taxes as of year of Closing	BASE PILOT + IMPROVEMENT PILOT	
ED	100% of taxes as of year of Closing *1.0200	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
1	100% of taxes as of year of Closing *1.0404	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
2	100% of taxes as of year of Closing *1.0612	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
3	100% of taxes as of year of Closing *1.0824	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
4	100% of taxes as of year of Closing *1.1041	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
5	100% of taxes as of year of Closing *1.1262	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
6	100% of taxes as of year of Closing *1.1487	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
7	100% of taxes as of year of Closing *1.1717	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
8	100% of taxes as of year of Closing *1.1951	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
9	100% of taxes as of year of Closing *1.2190	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
10	100% of taxes as of year of Closing *1.2434	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	

11	100% of taxes as of year of Closing *1.2682	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
12	100% of taxes as of year of Closing *1.2936	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
13	100% of taxes as of year of Closing *1.3195	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
14	100% of taxes as of year of Closing *1.3459	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
15	100% of taxes as of year of Closing *1.3728	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
16	100% of taxes as of year of Closing *1.4002	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
17	100% of taxes as of year of Closing *1.4282	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
18	100% of taxes as of year of Closing *1.4568	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
19	100% of taxes as of year of Closing *1.4859	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	
20	100% of taxes as of year of Closing *1.5157	AV*PILOT RATE	BASE PILOT + IMPROVEMENT PILOT	