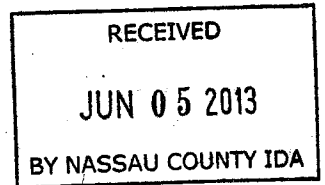


**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)



APPLICATION OF: SPA 79 M.L.P.

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and 9 copies of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

MAY 20, 2013

DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: SPA 79 M.L.P.

Address: C/O STALLER ASSOCIATES INC., 1455 Veterans Memorial Highway, Hauppauge NY 11749

Primary Contact: MR. CARY STALLER

Phone: (631) 234-7711 Fax: (631) 234-7898

E-Mail: lauren@stallerassociates.com

NY State Dept. of
Labor Reg #: _____ Federal Employer ID #:

NAICS Code #: _____

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship ___ General Partnership ___ Limited Partnership X ___

Limited Liability Company _____ Privately Held Corporation _____

Publicly Held Corporation _____ Exchange listed on _____

Not-for-Profit Corporation _____

Income taxed as: Subchapter S _____ Subchapter C _____

501(c)(3) Corporation _____ Partnership X

State and Year of Incorporation/Organization: NEW YORK; 1990

Qualified to do Business in New York: Yes ___ No ___ N/A X

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT: N/A

Name: _____

Relationship to Applicant: _____

D. APPLICANT COUNSEL (subject to Agency approval):

Firm name: FARRELL FRITZ. P.C.

Address: 1320 RXR PLAZA, UNIONDALE, NY 11556-1320

Primary

Contact: PETER L. CURRY, ESQ.

Phone: (516) 227-0772

Fax: (516) 336-2208

E-Mail: pcurry@farrellfritz.com

E. Principal stockholders, members or partners, if any (i.e., owners of 10% or more of equity/voting rights in Applicant):

Name	Percentage owned
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<u>SPA 79 M CORP.</u>	
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<u>STALLER PROPERTIES ASSOCIATES 1979</u>	
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F. If any of the persons described in the response to the preceding Question, or a group of said persons, owns more than a 50% interest in the Applicant, list all other entities which are related to the Applicant by virtue of such persons having more than a 50% interest in such entities:

THE PRINCIPALS OF THE ENTITIES THAT OWN THE
PARTNERSHIP INTERESTS IN THE APPLICANT HAVE SIMILAR
OWNERSHIP INTERESTS IN OTHER REAL ESTATE ENTITIES

G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES _____

NO _____

SEE ANSWER F.

H. List parent corporation, sister corporations and subsidiaries, if any:

SEE ANSWER F.

I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES _____ NO X

J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors' rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES _____ NO X

K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been charged with or convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation charged or convicted of a felony or misdemeanor (other than minor traffic offenses)? If YES, attach details.

YES _____ NO X

L. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES _____ NO X

M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES _____ NO X

N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
<u>CARY STALLER</u>	_____	<u>SEE ANSWER F</u>

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES X NO

CARY STALLER IS A TRUSTEE OF THE STATE UNIVERSITY OF NEW YORK. THIS IS A GOVERNOR-APPOINTED POSITION, CONFIRMED BY THE NEW YORK STATE SENATE.

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES _____ NO X

O. Operation at existing location(s) (Complete separate Section O for each existing location): N/A

1. (a) Location: _____

(b) Number of Employees: Full-Time: _____ Part-Time: _____

(c) Annual Payroll, excluding benefits: _____

(d) Type of operation (e.g. manufacturing, wholesale, distribution) and products or services: _____

(e) Size of existing facility real property (i.e., acreage of land): _____

(f) Buildings (number and square footage of each): _____

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

(h) If Applicant leases, state annual rent and lease expiration date: _____

2. If any of the facilities described above are located within the State of New

York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES _____

NO _____

- P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES _____

NO X

-
- Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES _____

NO X

- R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES _____

NO X

- S. Attach a brief history of the Applicant and its business/operations.

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

PART II. PROPOSED PROJECT

A. Description of proposed Project (check all that apply):

- New Construction
- Addition to Existing Facility
- Renovation of Existing Facility
- Acquisition of Facility
- New machinery and equipment
- Other (specify): _____

B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

THE PROJECT INVOLVES THE DEMOLITION OF EXISTING VACANT COMMERCIAL BUILDINGS, AND THE RENOVATION OF AN EXISTING BUILDING AND CONSTRUCTION OF A NEW STRUCTURE, RESULTING IN AN APPROXIMATELY 40,000 SQUARE FOOT RESIDENTIAL PROJECT CONTAINING 27 APARTMENT UNITS. TEN (10%) PERCENT OF THE LIVING UNITS WILL BE SET ASIDE FOR AFFORDABILITY PURPOSES. THE PROJECT IS LOCATED NEAR TO THE FARMINGDALE LONG ISLAND RAILROAD STATION, AND IT IS ANTICIPATED THAT MANY OF THE OCCUPANTS WILL TRAVEL TO NEW YORK CITY OR OTHERWISE BY MASS TRANSIT. THE AGENCY'S FINANCIAL ASSISTANCE IS NECESSARY TO KEEP CONSTRUCTION AND OPERATING COSTS AT A LEVEL WHICH PERMITS RENTS THAT CAN BE MET BY YOUNG SINGLES, RETIREES AND OTHERS WHO ARE ATTRACTED TO LIVING IN A MULTIPLE DWELLING.

C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

THE VILLAGE OF FARMINGDALE AMENDED ITS ZONING CODE IN 2011 TO PERMIT THE CONSTRUCTION OF MULTI-FAMILY AND MULTI-USE BUILDINGS IN THE NEIGHBORHOOD IN WHICH THE PROJECT WILL BE LOCATED. THE VILLAGE EVINCED A CONCERN THAT THE PRIOR ZONING AND USES FOR THE PROPERTY AND NEARBY SITES WOULD NOT SATISFY THE NEED FOR A VIBRANT DOWNTOWN INCORPORATING RESIDENCES, RETAIL, DINING AND SIMILAR USES, ALL LOCATED NEAR MASS TRANSIT. THIS PROJECT WILL COMPLY WITH THE NEW CODE. HOWEVER, AN INABILITY TO OBTAIN FINANCIAL ASSISTANCE FROM THE AGENCY WOULD ENDANGER THE PROJECT, AS THE RENTS TO BE CHARGED WOULD EXCEED THE PORTION OF ANTICIPATED RESIDENTS' INCOMES THAT THEY COULD PAY FOR HOUSING EXPENSES, AND THE PROPERTY WOULD RETAIN ITS VACANT AND OBSOLETE STATUS.

D. Location of Project (attach map showing the location):

Street Address: **285 EASTERN PARKWAY, FARMINGDALE, NEW YORK**

City/Village(s): **FARMINGDALE**

Town(s): **OYSTER BAY**

School District(s): **FARMINGDALE**

Section: **49** Block: **57** Lot: **110**

Census Tract Number: _____

If exact street address is not available, please provide a survey and the most precise description available.

E. Describe the present use of the Project site: **VACANT DETERIORATED COMMERCIAL STRUCTURES.**

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each): **APPROXIMATELY \$33,000**

Land: \$ _____ Building(s): \$ _____

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES **X** _

NO _____

G. Describe Project ownership structure (*i.e.*, Applicant or other entity): **APPLICANT**

H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

RESIDENTIAL RENTAL BUILDING.

I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant: **N/A**

J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and O, with respect to any party described in the preceding response. **N/A**

K. List principal items or categories of equipment to be acquired as part of the Project:

APPLIANCES AND OTHER FIXTURES FOR THE RESIDENTIAL UNITS.

L. Will Project meet zoning/land use requirements at proposed location?

YES NO

1. Describe present zoning/land use: **"Downtown Mixed-Use" (D-MU) Zoning District**
2. Describe required zoning/land use, if different:
3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: **N/A**

M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES NO

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES NO

If YES, indicate:

- (a) Date of purchase: **1/1/90**
- (b) Purchase price: \$ **0**
- (c) Balance of existing mortgage, if any: **\$0**
- (d) Name of mortgage holder: **N/A**
- (e) Special condition: **N/A**

If NO, indicate name of present owner of Project site: **N/A**

O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site? **N/A**

YES NO

If YES, attach copy of contract or option and indicate:

- (a) Date signed: _____
- (b) Purchase price: \$ _____
- (c) Closing date: _____

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?

If YES, describe: **N/A**

YES _____

NO _____

P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Retail Sales: YES __ NO **X**

Services: YES __ NO **X**

Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services): **ATTACHED AS EXHIBIT II. Q. I. IS THE STATEMENT OF INTENT AND PURPOSE INCLUDED IN THE LEGISLATION PASSED BY THE FARMINGDALE VILLAGE BOARD, WHICH STATEMENT LAYS OUT THE CONDITIONS IN THE VILLAGE AND REASONS FOR ENCOURAGING DEVELOPMENT SUCH AS THE SUBJECT PROJECT. THE VILLAGE UNDERTOOK A DETAILED SEQRA REVIEW PRIOR TO ENACTING THE STATUTE, AND FOUND THAT SUCH DEVELOPMENTS WOULD NOT HAVE A MATERIAL NEGATIVE EFFECT ON THE ABOVE SERVICES. ATTACHED AS EXHIBIT II. Q. II. IS THE VILLAGE'S SEQRA DETERMINATION.**

R. Identify the following Project parties (if applicable):

Architect: **AXELROD & CHERVENYARCHITECTS**

Engineer: _____

Contractors: _____

S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES _____

NO **X**

T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES _____

NO **X**

U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES **X**

NO _____

THE LACK OF REASONABLY-PRICED MULTI-FAMILY RENTAL HOUSING NEAR LONG ISLAND MASS TRANSIT LINES IS WELL-DOCUMENTED. THIS SHORTGAGE AFFECTS ALL AREAS OF NASSAU COUNTY, AND IS A MAJOR CAUSE OF THE PASSAGE OF THE FARMINGDALE LEGISLATION CREATING THE NEW ZONE.

PART III. PROJECT COSTS

A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$ 0
2.	Building Acquisition	\$ 0
3.	Construction or Renovation	\$6,000,000
4.	Site Work	\$ 100,000
5.	Infrastructure Work	\$ 50,000
6.	Engineering Fees	\$ 30,000
7.	Architectural Fees	\$ 100,000
8.	Applicant's Legal Fees	\$ 10,000
9.	Financial Fees (incl. lender legal fees)	\$
10.	Other Professional Fees	\$ 10,000
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ 0
12.	Other Soft Costs (describe)	\$ 0
13.	Other (describe)	\$ 0
	Total	\$6,300,000

B. Source of Funds for Project Costs:

a.	Bank Financing:	\$0
b.	Equity	\$6,300,000
	TOTAL	\$6,300,000

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES

NO

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing

YES

NO

THE APPLICANT MAY SEEK PERMANENT FINANCING AFTER THE COMPLETION OF CONSTRUCTION AND LEASE-UP OF THE PROJECT.

E. Construction Cost Breakdown:

Total Cost of Construction: \$6,000,000 (sum of 3 and 11 in Question A above)

Cost for materials: \$3,000,000

% Sourced in County: 75%

% Sourced in State: 90 % (incl. County)

Cost for labor: \$3,000,000

% Sourced in County: 65%

% Sourced in State: 100% (incl. County)

Cost for "other": \$300,000

% Sourced in County: 65%

% Sourced in State: 100% (incl. County)

PART IV. COST/BENEFIT ANALYSIS

If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	Present	First Year	Second Year	Third Year
Full-time:	\$ <u>N/A</u>	\$25,000	\$25,750	\$26,523
Part-time:	<u>N/A</u>			
Seasonal:	<u>N/A</u>			
Total Annual	\$ <u>N/A</u>	\$25,000	\$25,750	\$26,523

Payroll: _____

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$ N/A

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? \$ N/A

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$ _____

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$ _____

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 100%

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES _____ NO X

(ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any: 55

C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

THE PROJECT IS ANTICIPATED TO THROW OFF \$390,000 IN ANNUAL GROSS RENTS

What percentage of the foregoing amount is subject to New York sales and use tax?

APPROXIMATELY 65%

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

THE PROJECT WILL PAY VARIOUS APPLICATION AND PERMIT FEES TO THE VILLAGE OF FARMINGDALE AND OTHER APPLICABLE JURISDICTIONS. THERE WILL ALSO BE TYPICAL ANNUAL INSPECTION AND OTHER FEES TYPICALLY PAID TO MUNICIPALITIES.

- D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	\$160,000	<u>80%</u>	<u>100%</u>
Year 2	\$164,800	<u>80%</u>	<u>100%</u>
Year 3	\$169,800	<u>80%</u>	<u>100%</u>

- E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

APPROXIMATELY \$3,000,000 (SEE NOTE ON PAGE 13) OF THE CONSTRUCTION COST OF THE PROJECT IS BEING ALLOCATED TO LABOR. THE WAGES PAID FOR THE CONSTRUCTION WILL THEN BE SPENT BY THE CONSTRUCTION PERSONNEL PRIMARILY IN NASSAU AND SUFFOLK COUNTIES, RESULTING IN SIGNIFICANT ADDITIONAL PAYMENT OF SALES TAXES TO THESE COUNTIES.

- F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption: **\$275,000.00**

Estimated Value of Mortgage Tax Exemption: **\$ _____**

Estimated Property Tax Exemption: **\$ _____**

Existing Property Tax paid on the Land and/or Building: (please provide current tax bills) **\$ 33,000.00**

Estimated new Real Property Tax Revenue if the Project did not receive Real Property Tax exemption: **\$123,000.00 for 2013/14**

Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption: **\$34,500.00 for 2014/15**

- G. Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

THE PROJECT WILL PAY VARIOUS APPLICATION AND PERMIT FEES TO THE VILLAGE OF FARMINGDALE AND OTHER APPLICABLE JURISDICTIONS.

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? If YES, indicate the percentage of completion:

- 1. (a) Site clearance YES _____ NO X _____% complete
- (b) Environmental YES _____ NO X _____% complete
 Remediation
- (c) Foundation YES _____ NO X _____% complete
- (d) Footings YES _____ NO X _____% complete
- (e) Steel YES _____ NO X _____% complete
- (f) Masonry YES _____ NO X _____% complete
- (g) Interior YES _____ NO X _____% complete
- (h) Other (describe below) YES _____ NO X _____% complete

2. If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project? **SEPTEMBER, 2013**

B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary): ***

THE APPLICANT ANTICIPATES THAT THE PROJECT WILL TAKE ONE YEAR TO COMPLETE, AND THAT THE FIRST OCCUPANCY WILL OCCUR IN SEPTEMBER, 2014.

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

THE VILLAGE OF FARMINGDALE CONDUCTED SIGNIFICANT ENVIRONMENTAL STUDIES IN CONNECTION WITH THE ENACTMENT OF THE NEW ZONING CODE AMENDMENTS, AND DETERMINED THAT DEVELOPMENTS SUCH AS THE SUBJECT PROJECT WILL NOT HAVE A SIGNIFICANT ENVIRONMENTAL IMPACT.

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES _____

NO X

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: SPA 79 M L.P.


Signature: By: SPA 79 M. CORR

Name: By: 

Title: Cary F. Staller, V.P.

Date: 5-20-13

Sworn to before me this
20th day of ~~April~~ May, 2013


Notary Public

KAREN J. TANTONE
NOTARY PUBLIC, State of New York
No. 01TA6063437
Qualified in Suffolk County
Commission Expires August 27, 2013

RULES AND REGULATIONS OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

FIRST:

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the straight lease documents.

SECOND:

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

FOURTH:

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of

Applicant: SPA 79 M.L.P.

BY SPA 79 M. COBB

By: 

Name/Title: CARY F. STALLER, V.P.

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree, on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

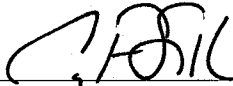
As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.
- (B) General Counsel Fee - One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (C) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (D) Refinancings - The Agency fee shall be determined on a case-by-case basis.
- (E) Assumptions - The Agency fee shall be determined on a case-by-case basis.
- (F) Modifications - The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.



Name CARY F. STALLER
Title: VICE PRESIDENT

Sworn to before me this 20th
day of ~~April~~ May, 2013



Notary Public

KAREN J. TANTONE
NOTARY PUBLIC, State of New York
No 01TA6063437
Qualified in Suffolk County
Commission Expires August 27, 2013

TABLE OF SCHEDULES:

Schedule	Title	Complete as Indicated Below
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question Q.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Intentionally omitted

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

The following information must be provided for straight-lease transactions entered into or terminated during the year:

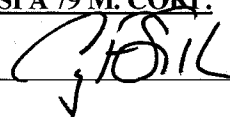
Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant: SPA 79 M L.P.

Signature: By: SPA 79 M. CORP.

Name: By: 

Title: Cary F. Staller, V.P.

Date: 5-20-13

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES

INITIAL EMPLOYMENT PLAN Prior to the granting of financial assistance, the Applicant shall complete the following employment plan:

Applicant Name: **SPA 79 M.L.P.**
 Address: **C/O STALLER ASSOCIATES INC., 1455 Veterans Memorial Highway, Hauppauge NY 11749**
 Type of Business: **HOUSING**
 Contact Person: **CARY STALLER** Tel. No.: **(631) 234-7711**

Please complete the following table describing the Applicant's projected employment plan following receipt of financial assistance:

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
<u>SUPERINTENDENT (SHARED WITH OTHER BUILDING)</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: **55**

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

IMMEDIATELY PRIOR TO COMPLETION OF CONSTRUCTION

Are the Applicant's employees currently covered by a collective bargaining agreement? **N/A**

YES _____ NO _____

IF YES, Union Name and Local: _____

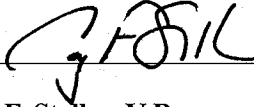
Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN) (first page only). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: SPA 79 MLP.

Signature: By: SPA 79 M. CORP.

Name: By: 

Title: Cary F. Staller, V.P.

Date: 5-20-13

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question Q.2 of the Application for Financial Assistance) N/A

A. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES _____ NO _____

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility _____

Names of all current occupants of the to-be-removed plant or facility: _____

B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES _____ NO _____

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: : _____

Names of all current occupants of the to-be-abandoned plants or facilities:

C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES _____ NO _____

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES _____ NO _____

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

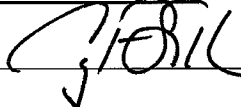
YES _____ NO _____

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: SPA 79 M.L.P.

Signature: By: SPA 79 M. CORP.

Name: By: 

Title: Cary F. Staller, V.P.

Date: 5-20-13

RETAIL QUESTIONNAIRE

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance)

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES ____

NO ____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation?

YES ____

NO ____

2. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES ____

NO ____

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?

YES ____

NO ____

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES ____

NO ____

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES _____

NO _____

If the answer to any of the subdivisions 1 through 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES _____

NO _____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: _____%

Services: _____%

- F. State percentage of Project premises utilized for same:

Retail Sales: _____%

Services: _____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant:

Signature:

Name:

Title:

Date: _____

APPLICANT'S FINANCIAL ATTACHMENTS

ENVIRONMENTAL ASSESSMENT FORM

Schedule H

OTHER ATTACHMENTS

INC. VILLAGE OF FARMINGDALE

RESOLUTION

WHEREAS, SPA 79 M.L.P. ("SPA") has applied for a change of zone from the Business D District to the Downtown-Mixed Use District for the 20,000 sq. ft. parcel located at 285 Eastern Parkway, Farmingdale, NY, identified on the Nassau County Land and Tax Maps as, Section 49, Block 57, Lot 110 ("SPA PROPERTY"); and

WHEREAS, One Atlantic Avenue, Farmingdale, N.Y. (Section 49; Block 297; Lot 1; Residence B-B); 265 Eastern Parkway, Farmingdale, N.Y. (Section 49; Block 297; Lot 2; Business D); and 269 Eastern Parkway, Farmingdale, N.Y. (Section 49; Block 297; Lots 3 and 4; Business D) ("NEIGHBORING PROPERTIES") are located in the immediate vicinity of the SPA PROPERTY; and

WHEREAS, The Board of Trustees of the Incorporated Village of Farmingdale, ("VILLAGE BOARD"), upon its own initiative, wishes to change the zone, expanding D-MU District to include the NEIGHBORING PROPERTIES; and

WHEREAS, SPA proposes to a new 3 1/2 story, 49,721 s/f multiple dwelling with 27 apartments with 30 car parking on the SPA PROPERTY ("SPA DEVELOPMENT"); and

WHEREAS, the change of zone of the SPA PROPERTY and the NEIGHBORING PROPERTIES, and the SPA DEVELOPMENT ("ACTION") is subject to review under 6 NYCRR Part 617, the New York State Environmental Quality Review Act, (SEQRA); and

WHEREAS, the VILLAGE BOARD wishes to comply with its obligations under SEQRA; and

WHEREAS, the VILLAGE BOARD wishes to declare itself Lead Agency pursuant to SEQRA; and

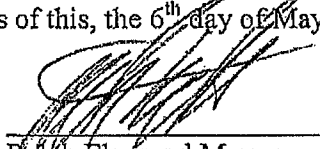
WHEREAS, the VILLAGE BOARD has reviewed the "Short Environmental Assessment Form" and the Downtown Farmingdale D-MU District Extension Study, dated April, 2013, prepared for the ACTION, wishes to classify the ACTION as an unlisted action with no significant, adverse environmental impacts and wishes to issue a negative declaration and notice of determination of non-significance; and

NOW THEREFORE BE IT RESOLVED;

The VILLAGE BOARD:

1. declares itself the Lead Agency pursuant to SEQRA;
2. classifies this action as an unlisted action with no significant, adverse environmental impacts and issues a negative declaration and notice of determination of non-significance.

DULY RESOLVED, by the Board of Trustees, as of this, the 6th day of May, 2013.

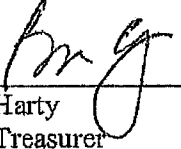


Ralph Ekstrand Mayor,
Inc. Village of Farmingdale

The following vote was recorded in connection with this matter:

Mayor Ralph Ekstrand	aye
Deputy Mayor Patricia A. Christiansen	aye
<hr/>	
Trustee William Barrett	aye
Trustee Cheryl Parisi	aye
Trustee Thomas Ryan	aye

Attest:



Brian Harty
Clerk/Treasurer
Inc. Village of Farmingdale

6th day of May, 2013