



Project Summary/Recommendation

Applicant:	Fairport Landing LLC 1672 Monroe Avenue Rochester, New York 14618
Board Meeting Date:	June 18, 2018
Project Location:	Fairport Village Landing 50 South Main Street Fairport, New York 14450
Project Summary:	<p>Fairport Landing LLC, a local real estate company controlled by Frank Pavia and Mark Pavia, is proposing the renovation and upgrade of the 120,000SF Village Landing shopping center in the Village of Fairport. The new owners acquired the property July 12, 2017. Developed in the late 1970's, the shopping center is a key component of the Village's commercial corridor. Due to shifting retail trends, the project has lost anchor tenants including a grocery store, drug store and pharmacy. The project is now a mix of retail, professional, office and not-for-profit tenants including the Fairport Public Library. The property is experiencing significant vacancy. The new owners estimate that 18% of the rentable retail space and 33% of the professional/office space is vacant.</p> <p>The new owners are proposing a \$1.2 Million investment for a substantial upgrade of the appearance and certain structural elements of the property. The project includes signage, lighting, windows, columns and facades. The project is designed to create a more open and contemporary appearance that will attract additional commercial and retail tenants that do not currently serve the Village.</p> <p>The project will be undertaken in two phases. Phase 1 will address the Main Street side of the property. A significant portion of the \$560,000 investment for this phase will address the long vacant Main Street spaces. Negotiations are underway with a new retail tenant which is expected to invest an additional \$300,000 - \$500,000 and create 6FT and 10PT jobs. Phase II will continue the renovations/upgrade to the parking lot facing facades. The total project is projected to be completed by December 2019.</p>
Project Amount:	\$1,200,000
Request	<ul style="list-style-type: none"> • Sales and Mortgage Tax Exemptions • Custom Pilot agreement <ul style="list-style-type: none"> – Fixed flat payment of current tax amounts for 10 years – <i>contingent on capital investment – benchmarked at December 2019</i>

Recommendation:

Recommend Approval of proposed custom PILOT and Tax Exemptions.

The original request was for a custom pilot (deviation from our standard Uniform Tax Exemption policy) for a 50% reduction in current taxes. Based on an evaluation of the project and the factors to be considered, as outlined in the UTEP, this request was not presented to the Board, as it was determined that this deviation was not warranted. Among the factors considered was the significant negative impact on the affected taxing jurisdictions.

Following further negotiations, this custom pilot was drafted around a shared goal of enhancing a signature project in the heart of the Village by making a significant investment which will attract new tenants. We recognize the owners' interest in doing so in a cost effective-manner that will yield acceptable returns for the risks they are taking with this investment.

It is the mission of the Fairport Industrial Development Agency to take a proactive role in identifying redevelopment opportunities and to continue to encourage an attractive economic climate that will retain existing businesses, attract private sector investment and improve economic vitality in the Village.

The proposed PILOT keeps the affected taxing jurisdictions whole and is predicated upon the \$1.2 Million investment being made no later than December 2019. The PILOT agreement will include clawback provisions should the owners fail to make the entire investment in that timeframe.

Therefore, I recommend approval of the proposed custom PILOT and Tax Exemptions.



Executive Director



VILLAGE OF FAIRPORT
INDUSTRIAL DEVELOPMENT AGENCY
31 South Main Street
Fairport, New York 14450
fairportoced.org

Contact: Martha M. Malone
E-Mail: marthamalone@fairportny.com
Phone: 585-421-3240

APPLICATION FOR ASSISTANCE

I. APPLICANT

A. Company Name: Fairport Landing, LLC
Address: 1672 Monroe Avenue
City: Rochester State NY Zip 14618
Tax ID Number: 82-1970957
Contact: Mark J. Pavia
Title: Managing Member
Telephone: (585) 563-6515
Email: fdpmanagement.mgmt@gmail.com

- B. Type of Entity:
- Sole Proprietorship
 - Partnership
 - Privately Held Corporation
 - Public Corporation
 - LLC

C. Principal Stockholders (Owners of 15% or more of company)

<u>Pavia Carefree, LLC</u>	% Owned <u>100</u>
_____	% Owned _____
_____	% Owned _____
_____	% Owned _____

D. Applicant's Legal Counsel

Firm: Harris Beach PLLC
Address: 99 Garnsey Road, Pittsford, NY 14534
Telephone: (585) 419-8606
Attorney's Name: Christopher A. Andreucci
Email: candreucci@harrisbeach.com

- E. Is the Company, or are the owners of the Company, involved in any lawsuits which could have a financial impact on the Company? Yes No (If yes, furnish details on a separate sheet)
- F. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? Yes No (If yes, furnish details on a separate sheet)
- G. Has the Applicant (or any related company) been involved in any prior assistance by this Agency, or by another Industrial Development Agency, in the county in which this project is located? Yes No (If yes, furnish details on a separate sheet)

II. PROJECT INFORMATION

- A. Project Name: Fairport Village Landing Renovation
- B. Address of Proposed Project: 50 South Main Street, Fairport, New York 14450
- C. Tax Map Parcel Number: 153.13-1-1./A 153.13-1-1./B
- D. Attach copies of preliminary plans or sketches of project along with photo of site, existing facility, etc.
- E. Legal owner of the site Village of Fairport
- F. If not currently owned by the Applicant, is there a purchase option or proposed lease for the project?
 Yes No

G. Description of the project: (check all that apply and **Attach a Narrative** on a separate sheet)

- | | |
|--|--|
| <input type="checkbox"/> New Construction | <input type="checkbox"/> Addition to an existing facility |
| <input checked="" type="checkbox"/> Renovation and modernization of an existing facility | <input type="checkbox"/> Acquisition of an existing facility |
| <input checked="" type="checkbox"/> Purchase of new machinery and equipment | <input type="checkbox"/> Refinancing of an existing project |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other _____ |

H. Project Type for all end users at project site: (check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Back Office |
| <input checked="" type="checkbox"/> Retail | <input type="checkbox"/> Acquisition of an existing facility |
| <input checked="" type="checkbox"/> Mixed Use | <input type="checkbox"/> Housing |
| <input type="checkbox"/> Facility for Aging | <input checked="" type="checkbox"/> Multi-Tenant |
| <input type="checkbox"/> Equipment Purchase | <input type="checkbox"/> Civic facility (not for profit) |
| <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Other _____ |

I. Does the Applicant intend to lease or sublease more than 10% (by area or full market value) of the Project?

Yes No

Proposed Occupant(s) of the Facility:

Company Name: Various Tenants

Address: _____

Contact Name: _____

Phone: _____ Email: _____

% of Facility to be occupied by User/Tenant 100 %

J. Does the Project include facilities or property that is primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes No (if yes, complete shaded box below)

If the answer to the previous question is yes, what percentage of the cost of the Project 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? 25 %

If more than 33.33%, indicate whether any of the following apply to the Project:

- Will the project be operated by a not-for-profit corporation? Yes No
- Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes No. (If yes, furnish details on a separate sheet)
- Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? Yes No. (If yes, furnish details on a separate sheet)
- 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. (If yes, furnish details on a separate sheet)

K. Does the applicant have other facilities or related companies located in New York State, outside of the Village of Fairport?

Yes _____ NO XX

If yes, will this other facility or company be closed or have operations reduced as a result of this proposed project?

Yes No (If yes, furnish details on a separate sheet)

Are there any current occupants of this proposed site that will have their operations affected (including reduced or discontinued) as a result of this proposed project?

Yes No (If yes, furnish details on a separate sheet)

If the answer to either of the previous two questions is yes, indicate whether any of the following apply to the Project:

Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry?

Yes No (If yes, furnish details on a separate sheet)0.

Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York?

Yes No (If yes, furnish details on a separate sheet)

L. Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency? Yes No

If the Project could be undertaken without financial assistance provided by the agency, then provide a statement below indicating why the Project should be undertaken by the Agency:

III. PROJECT CONSTRUCTION SCHEDULE

A. What is the proposed commencement date of construction or acquisition of the project? July 2018

B. Outline the timetable for the project, indicating when the project will be in full use.

Phase 1 - July 2018 - March 2019 – Main Street and New Tenant Improvements - \$560,000

Phase 2 - April 2019 - December 2019 - Parking Lot Side Storefront Improvements - \$670,000

IV. PROJECT COSTS

Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement, and/or equipping of the project.

<u>Item</u>	<u>Amount</u>
Land/Building Purchase	\$ _____
Construction/Renovation	\$ <u>1,167,000.00</u>
Machinery and Equipment	\$ <u>33,000.00</u>
Architect/Engineering Fees	\$ _____
Site Work	\$ _____
Cost of Financing (Legal, Financial)	\$ <u>64,000.00</u>
Construction Loan Fees/Interest	\$ _____
Other (specify) _____	\$ _____
Total Project Cost	\$ <u>1,264,000.00</u>

V. SOURCES OF FUNDS

<input type="checkbox"/> Tax Exempt Industrial Revenue Bond	\$ _____
<input type="checkbox"/> Taxable Industrial Revenue Bond	\$ _____
<input checked="" type="checkbox"/> Bank Financing	\$ <u>1,200,000.00</u>
<input type="checkbox"/> Other Term Financing	\$ _____
<input type="checkbox"/> Public Sources (grants, tax credits, etc.)	\$ _____
<input checked="" type="checkbox"/> Equity	\$ <u>64,000.00</u>
Total Sources	\$ <u>1,264,000.00</u>

VI. BENEFITS REQUESTED

- Sales and Use Tax Exemption
- Mortgage Recording Tax Exemption
- Real Property Tax Abatement/PILOT
- Industrial Revenue Bond Financing

VII. State Environmental Quality Review (SEQR) Act Compliance

Fairport Industrial Development Agency, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of Approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

- YES – Include a copy of any SEQR documents related to this Project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration, etc.
- NO

VIII. EMPLOYMENT INFORMATION

A. Estimate number of employees at the proposed project location at the end of year one and year two following the completion of the project. Estimate the number of residents of the Finger Lakes Economic Development Region Labor Market Area* that will fill the FTE and PTE jobs to be created upon TWO Years after Project Completion.

	Current as of: _____	Year One	Year Two	Residents of the Finger Lakes ED Region Labor Market Area*
Full time	0.0	6.0	6.0	6
Part time	0.0	10.0	10.0	10
Seasonal	0.0	0.0	0.0	0
Totals	0.0	16.0	16.0	16

*Finger Lakes ED Region Labor Market Area includes: Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne, Wyoming, and Yates, Counties.

B. Annual payroll currently:	\$	0.00
First year after completion:	\$	280,000.00
Second year after completion:	\$	280,000.00

C. Annual Salary and Fringe Benefits

Category of Jobs to Be Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Salary Wage Earners	\$25,000 - \$65,000	20%
Commission Wage Earners		
Hourly Wage Earners	\$10,000 - \$20,000 (PT)	--
1099 and Contract Workers		

IX. VALUE OF INCENTIVES To be completed by FIDA Staff

A. PILOT BENEFIT:

Agency staff will estimate the amount of PILOT, sales and mortgage recording tax benefits (the PILOT benefit) based on estimated Project Costs and other Information contained herein and anticipated tax rates and assessed valuation, including the estimated PILOT Benefit abatement amount for each year of the PILOT and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted below.

PILOT ESTIMATE TABLE WORKSHEET

Current Tax Rates

Current AV	\$ 3,600,000
	\$ 3,600,000
Est. Final AV	\$ 3,600,000
Incremental AV	\$ -

Subject to Abatement

Town	\$1.712906
County	\$9.154588
County Services	\$0.668246
School	\$23.09677
Library	\$0.794601
Village	\$6.920191
Total	\$42.263900

New Construction & Renovation Costs	\$ 1,167,000
Furniture Fixtures & Equipment	\$ -

TOWN	PILOT YEAR	Baseline Assessment	Tax Rate	Taxes	PILOT	PILOT SAVINGS
	1	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	2	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	3	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	4	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	5	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	6	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	7	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	8	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	9	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
	10	\$ 3,600,000	\$ 1.7129	\$ 6,166	\$ 6,166	\$ -
				\$ 61,665	\$ 61,665	\$ -

COUNTY	PILOT YEAR	Baseline Assessment	Tax Rate	Taxes	PILOT	PILOT SAVINGS
	1	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	2	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	3	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	4	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	5	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	6	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	7	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	8	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	9	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
	10	\$ 3,600,000	\$ 9.8228	\$ 35,362	\$ 35,362	\$ -
				\$ 353,622	\$ 353,622	\$ -

Applicant Initial UP

SCHOOL & Library	PILOT YEAR	Baseline			PILOT	PILOT SAVINGS
		Assessment	Tax Rate	Taxes		
	1	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	2	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	3	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	4	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	5	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	6	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	7	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	8	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	9	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
	10	\$ 3,600,000	\$23.8914	\$ 86,009	\$ 86,009	\$ -
				\$ 860,089	\$ 860,089	\$ -
Village	PILOT YEAR	Baseline			PILOT	PILOT SAVINGS
		Assessment	Tax Rate	Taxes		
	1	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	2	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	3	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	4	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	5	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	6	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	7	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	8	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	9	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
	10	\$ 3,600,000	\$ 6.9202	\$ 24,913	\$ 24,913	\$ -
				\$ 249,127	\$ 249,127	\$ -
TOTAL					\$1,524,503	\$ -
B. Sales Tax Exemption Benefits						
	Construction & Renovation			\$ 46,680		
	Furniture, Fixtures & Equipment			\$ -		
				\$ 46,680		
	Estimated Duration of Sales Tax Exemption					
C. Mortgage Recording Tax Exemption Benefit						
	Mortgage	\$ 1,200,000				
	Exempted		0.0075			
		\$ 9,000				
D. Industrial Revenue Bond Benefit						
	IRB Inducement Amount	\$ -				

Applicant Initial *RP*

E. Percentage of Project Costs financed from Public Sector Sources
 Agency staff will calculate the percentage of Project Costs financed from Public Sector sources.

Project Costs per Section IV. B.	\$1,264,000	
PILOT BENEFIT:		\$ -
Sales Tax Exemption Benefits		\$ 46,680
Mortgage Recording Tax Exemption Benefit		\$ 9,000
Industrial Revenue Bond Benefit		\$ -
Other Public Incentives		\$ -
		\$ 55,680
Percentage from Public Sector Sources	4.4%	

Applicant Initial *zp*

X. REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, new employment opportunities created as a result of the project will be listed with the NYS Department of Labor, Department of Employment Services and with the administrative entity of the local workforce investment area created by the Federal Workforce Investment and Opportunity Act (WIOA) in which the project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, where practicable, the Applicant will first consider persons eligible to participate in WIOA programs who shall be referred by those WIOA entities for new employment opportunities created as a result of said project.
- C. Annual Sales Tax Filings. In accordance with Section 874(8) of New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant, and to provide a copy of such filing to the Agency.
- D. Employment Reports. The Applicant understands and agrees that, if the project receives any financial assistance from the Agency, the Applicant agrees to file, or cause to be filed with the Agency reports regarding the number of people employed at the project site.
- E. Hold Harmless. The Applicant hereby releases the Agency and its members, officers, servants, agents and employees thereof from, agrees that the Agency shall not be liable for and agrees to indemnify, **defend** and hold the Agency harmless from and against any and all liability arising from or expense incurred by (a) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project, including without limitation the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.
- F. Affirmation. The Applicant understands and agrees that the provisions of Section 862(1) of the New York State General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed project:
 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- G. OFAC. The Applicant represents and warrants that to the Applicant's knowledge neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List or under any statute, executive order including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, or other governmental action and is not and will not assign or otherwise transfer this Agreement to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

- H. Fees. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Appendix B and agrees to pay such fees, together with any expenses incurred by the Agency, including those of Transaction Counsel, with respect to the Facility. The Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the project.
- I. Recapture. The Applicant hereby agrees to comply with Section 875 of the General Municipal Law. The Company further agrees that the financial assistance granted to the project by the Agency is subject to recapture pursuant to Section 875 of the Act and the Agency's Recapture and Termination Policy, AS DESCRIBED IN Appendix A.
- J. FOIL. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project Information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- K. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax worker protection and environmental laws, rules and regulations.
- L. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement with the Project.
- M. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- N. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as the information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said Corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the attached whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds are ever carried to a successful conclusion. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or Applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not necessarily limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Cost incurred by the Agency and paid by the applicant, including bond counsel and Agency general counsel fees, and the administrative fee, may be considered as a cost of the project and included as part of the resultant bond issue.

CERTIFICATION:

Paul J. ..., Member
 (Signature of Officer)
FAIRPORT LANDING, LLC
 (Title)
6/14/18
 (Date)

(Notary Public)

APPENDIX A

INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the Village of Fairport Industrial Development Agency (the "Agency") may provide financial assistance to qualified applicants for qualified projects benefiting the Village of Fairport (the "Village"), in the form of issuance of its tax-exempt or taxable bonds or by participation in straight lease transactions. The Agency has adopted this Uniform Tax Exemption Policy to provide guidelines for granting real property, sales and use, and mortgage recording tax exemptions (the "Policy").

In accordance with the requirements of Chapters 356 and 357 of the Laws of 1993 (The New York IDA Reform Act), and specifically Section 874 (4) (1) and (b) of the General Municipal Law (the "Law"), the Agency by Resolution of the Board of Directors (the "Board") adopted on January 28, 1994, has established the following uniform policy with respect to financial assistance.

Pursuant to the 2015 Reform Legislation for Industrial Development Agencies (the "Reform Act"), this Policy includes standardized procedures for project evaluation criteria, recapture and annual project re-evaluation.

1. Applicability

This policy will apply to all projects receiving financial assistance on or after January 1, 1994. The terms "project" and "financial assistance" will be strictly interpreted as the Law defines them.

The Law is not retroactive with respect to PILOT payments or tax exemptions for projects, which received financial assistance prior to January 1, 1994. Therefore, the IDA retains the right to continue, amend, modify, assign or otherwise alter previous agreements, written or unwritten, with respect to tax exemptions or PILOT payments for projects of record prior to January 1, 1994.

2. Eligible/Qualified Projects and Applicants

Project criteria on applications for financial assistance that would require projects to be brought before the Board is as follows:

- a. The project must be eligible to receive IDA assistance under General Municipal Law.
- b. The project pledges to create and/or retain quality, good paying jobs in the Village of Fairport.
- c. The project will create a significant increase to the existing tax base upon completion and/or make a significant capital investment.
- d. The project will contribute towards creating a livable community by providing a valuable product or service that is underserved in the community.
- e. The project has a minimum ratio of \$1 to \$1 based on the Agency's cost/benefit analysis.
- f. The project is included in one of the Agency's strategic focus areas:
 - Waterfront development
 - Downtown revitalization
 - Infill and adaptive reuse
 - Remediation and shovel-ready sites
 - Tourism

3. Real Property Tax

The uniform exemption from real property taxes is for a period of ten (10) years at a percentage equal to one hundred percent (100%) of the real property taxes, which would otherwise be due for the first year of operation of the project, declining in an amount of ten percent (10%) per year after such commencement until the exemption equals zero.

a. Payment in Lieu of Taxes Agreement:

The Applicant must sign an agreement to make payments in lieu of taxes ("PILOT Agreement"). All payments in lieu of taxes shall be distributed pro-rata with the affected taxing jurisdictions.

b. Real property Appraisal:

The value of a project for payment in lieu of taxes purposes is based on a valuation performed by the assessor of the Town of Perinton; therefore, a real property appraisal is generally not required. However, the Agency may require the submission of a real property appraisal if:

- The assessor of any particular affected taxing jurisdiction requires one; or
- If the valuation of the project for payment in lieu of taxes purposes is based on a value determined by the Applicant or by someone acting on behalf of the Applicant, rather than by an assessor for a taxing jurisdiction or by the Authority.

If the Authority requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser, acceptable to the Agency.

4. Sales and Use Tax

The exemption from sales and use tax relates to construction, renovation or equipping of a project, to the fullest extent permitted by New York State law, during the period of construction, renovations or equipping, or until the earlier of:

- The completion date of project; or
- Three (3) years measured from commencement of construction, renovation or equipping of the project.

The Applicant must comply with the reporting requirements established by Sections 2326 and 2326-a of the New York Public Authorities Law and Section 875 of the New York General Municipal Law.

5. Mortgage Recording Tax

The exemption from the mortgage recording tax is available for all projects, to the fullest extent permitted by New York State law, in which the mortgage on the project is granted as security for the Authority's obligations or a mortgage to secure conventional financing in a straight lease transaction.

6. Deviations

Deviation from the Policy will be considered on a case-by-case basis where a project is expected to have a significant impact on the Village. Any deviation from the Policy requires written notification from the Agency to each of the affected taxing jurisdictions. The Agency may consider any or all of the following factors in making such determination, no single one of which shall be determinative:

- a. The nature of the project (e.g. manufacturing, commercial, tourism).
- b. The nature of the property before the project begins (e.g. vacant land, vacant buildings).
- c. The economic condition of the area at the time of the application.
- d. The extent to which a project will create or retain permanent, private sector jobs.
- e. The estimated value of tax exemptions to be provided.
- f. The impact of the project and the proposed tax exemptions on the affected tax jurisdictions.
- g. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- h. The amount of private sector investment generated or likely to be generated by the proposed project.
- i. The likelihood of accomplishing the proposed project in a timely fashion.
- j. The effect of the project upon the environment.
- k. The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services.
- l. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- m. The extent to which the proposed project will provide a benefit (economic, or otherwise) not otherwise available within the Village.
- n. Demonstrated public support for the proposed project.

If after consideration of the above-stated factors the Agency determines that a deviation from the Policy is warranted, it shall adopt a resolution stating:

- a. That with respect to the specified project, the Agency determines that a deviation from the Policy is warranted; and
- b. The reasons, for which the Authority determines the deviation, is warranted.

Upon passage of such resolution the affected local taxing jurisdictions shall be notified of the proposed deviation and the reasons therefore.

7. Recapture

The PILOT Agreement shall set forth grounds upon which the value of tax exemptions must be repaid to the Agency. Events that may trigger a recapture include, but are not limited to, the following:

- a. Liquidation of operations (absent showing of extreme hardship);
- b. Relocation of Applicant's operations from the project site to another site;
- c. Transfer of a substantial number of jobs out of the Village;
- d. Sublease of the project site in violation of the project agreements; or
- e. Sale or disposition of the project property.

The Agency's Policy for the amount to be repaid is set as a percentage of benefits received, depending on the years after closing in which the event occurs as follows:

<u>Years</u>	<u>% of Benefits Recaptured</u>
1-6	100%
7	80%
8	60%
9	40%
10	20%

The Agency may deviate from the Policy's recapture based upon the factors described above.

If the Applicant fails to meet and/or continuously maintain the goals established through the term of the PILOT Agreement, the Agency may terminate the PILOT Agreement or impose penalties and/or sanctions, at its discretion, not to exceed those set forth in the PILOT Agreement. Any monetary penalties or sanctions shall be deemed independent obligations of the Applicant, which shall survive termination of the PILOT Agreement.

8. Re-Evaluation

Projects that receive financial assistance from the Agency are subject to an annual review. The Agency will provide annual progress reports to the Board, which will provide the basis for determining if a project is on track. The board may opt to discontinue, suspend or modify the incentives. At the Board's discretion, a 6-month grace period may be granted to give the company the opportunity to correct its course.

Data gathered annually to assess a project's progress includes:

- a. Number/categories of jobs retained/created
- b. Salary ranges of retained/created jobs
- c. Company payroll
- d. Sales tax generation (for retail/tourism projects only)

APPENDIX B

FEE SCHEDULE

I. Application Fee - \$250 non-refundable application fee will be charged to the Applicant.

II. Administrative Fee – Paid at Closing

- a. For tax-exempt IRB bond issues, the fee shall be three quarter percent ($\frac{3}{4}$ %) of the project amount.
- b. For lease/leaseback transactions and taxable bond issues, the fee shall be one-half ($\frac{1}{2}$ %) of the project amount.
- c. For projects that utilize a payment-in-lieu-of-taxes (PILOT) agreement, the fee shall be an additional one-quarter percent ($\frac{1}{4}$ %) of the project amount.
- d. For modifications, the fee shall be determined on a case-by-case basis.

III. Agency Counsel fee will be determined on a case-by-case basis.

IV. Designated Bond Counsel fee is based on the complexity and amount of the transaction.