

May 7, 2019

Mr. William Mannix
Town of Islip Industrial Development Agency
Administrative Director
40 Nassau Avenue
Islip, New York 11751

Subject: **BAY SHORE REDEVELOPMENT PROJECT – TOWN OF ISLIP IDA APPLICATION**

Dear Mr. Mannix,

On behalf of TREC Bay Shore, LLC (“Applicant”), I am pleased to submit the enclosed application to the Town of Islip Industrial Development Agency for the proposed Bay Shore Redevelopment Project (the “Project”).

Recognizing both the need and the desire for smart mixed-use development in downtown districts, the Town of Islip established the Downtown Development District (“DDD”) zoning code. The DDD code aims to bolster socioeconomic foundations by enhancing the downtown districts’ live-work-play environment(s) – an objective effortlessly attained by the proposed Project. The Fourth Regional Plan, published in November 2017 by the Regional Plan Association, further identified the need to “remove barriers to transit-oriented and mixed-use development” as an important goal to be met to increase the strength and vibrancy of the region. As it stated, “expanding housing choices...would help accommodate a growing and changing population, and attract the workforce needed for a vibrant economy. Since this construction will either take place in, or lead to, walkable neighborhoods, it will reduce automobile usage and improve the environment and health of millions of people in the region.” The Town’s adoption of the DDD zoning code and the proposed Bay Shore Redevelopment Project are aimed at meeting this identified goal.

The Applicant intends to seek approval for change of zone, from Business District to Downtown Development District, as well as site plan approval for 495 Class A multifamily rental units and approximately 5,000 square feet of retail / commercial / medical space, in accordance with the Town of Islip’s DDD zoning code. The proposed Project is situated on approximately 10.34 acres at 1700 Union Boulevard, Bay Shore, New York, 11706 (Suffolk County Tax Map # 0500-39300-0300-021.001). The site currently serves as Touro College’s School of Health Sciences facility. The site is located one block south of the LIRR Bay Shore Train Station, one block north of Bay Shore’s “Downtown Main Street” (Montauk Highway), and 0.5-miles north of the Fire Island Ferry.

The Applicant anticipates **investing nearly \$200 million** in the Bay Shore Redevelopment Project. The Project will incorporate the core elements of sustainable development, thoughtful land use planning, Smart Growth principles, and excellent design standards to support the Bay Shore community’s efforts to revitalize its downtown into a lively walkable, transit-oriented neighborhood. Multifamily housing in downtown Bay Shore will provide the necessary “feet on the street” to aid in enhancing the area’s vibrancy. Downtown revitalization serves as a ¹¹ ~~SEP~~ catalyst for economic development by facilitating job creation and economic growth, expanding ¹¹ ~~SEP~~ the property tax base, satisfying the unmet needs in the local community, reducing dependency on automobiles, and enriching the downtown’s live-work-play functionality. As we have seen in other Long Island communities, this will help develop a destination location for the Hamlet of Bay Shore and the Town of Islip. Clearly, such Class A rental development assists in shaping a downtown area and enhances the quality of life for its residents and the surrounding community.

The Applicant will integrate certain premium elements into the Project. Although these elements result in a much higher project cost structure and are not necessarily critical to the completion of the project, the Applicant is committed to providing high-quality products that will yield long-lasting benefits not only for the residents of the project, but for the greater public community. We believe the success of our project will enhance the success of the surrounding community, and vice versa. We believe there is a symbiotic relationship between improving the communities in which we work and creating viable, successful projects that will spur economic development that in turn further supports the sustainability of our projects.

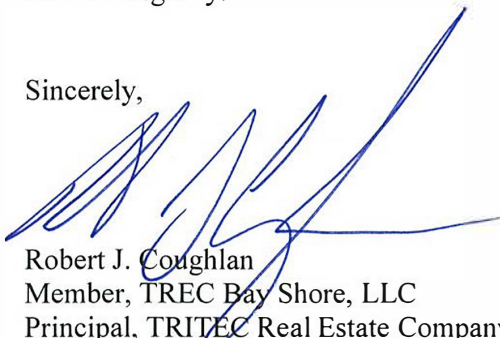
As the largest proposed transit-oriented mixed-use development in one of Islip's existing downtown neighborhoods, the Project will indeed serve as a catalyst for growth and revitalization in the greater community, aiding in establishing Bay Shore as a destination location within the Long Island region. Although the list below is not wholly comprehensive of the project's differentiating and added premium elements, it does provide a better understanding as to what these elements entail:

- **Transformative Project**: The Project will be a **\$195.7 million transformative, transit-oriented development project**.
- **Significant Economic Benefits**: The Project will result in significant economic benefits (including both tremendous direct impacts and spinoff effects). "The construction phase of the Project would support a total of **1,046 jobs** and **\$62.1 million in earnings in the County**. Once operating and occupied by new households, the Project would support **168 direct jobs** and **\$6.3 million in direct earnings in the Town annually**. With consideration for the indirect impacts, the Project would support a total of 218 jobs and \$9.3 million in associated earnings in the Town. Approximately **\$27.1 million in total annual sales** would occur as a result of the Project, [inducing] additional economic development within the Town and Bay Shore," (*Economic Impact Analysis* prepared by Camoin Associates).
- **DDD Zone**: The site is listed as an applicable tax lot under the Downtown Development District zoning code (applicability for change of zone to DDD).
- **Generate Taxes**: The Project will **put the property back on the tax roll**; Currently, the property generates \$0 annually in taxes.
- **Walkable, TOD**: The site is **walkable to existing downtown and employment centers**. The site is located within immediate vicinity to **mass transit** (multiple modes of transportation, including road, rail and the Fire Island Ferry).
- **Significant Amenity Space**: The proposed Project will provide a *very* significant amount of **Class A amenity space**, including an approximate **50,000-square foot (1.15-acre) exterior courtyard** with a swimming pool, BBQ stations, and fire pits(s); approximately **24,700 square feet of interior amenity space** comprising a fitness center, aerobics room, and lounge/conference spaces; as well as an outdoor **rooftop amenity space**. Programming the amenity spaces is of great importance across our projects. It fosters a sense of *community* among our residents and within the greater community.
- **Use of Residential-Quality Products**: The Project will be constructed with **high-quality materials**, consistent with **Class A rental housing**, including the utilization of stone, brick and Hardi plank exterior, imaginative landscaping, and hidden parking.
- **Energy Star Appliances**: We will install **Energy Star appliances** and mechanical systems to minimize energy consumption.

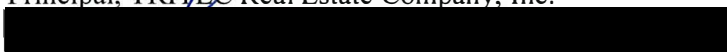
- Height: Although the DDD code allows for a maximum of five stories, we reduced the number of stories from five to four along parts of the street frontage to address height concerns from the community and **provide a cohesive visual entrée** to Bay Shore's downtown.
- Bicycle Storage and Repair Station: We will provide **bicycle storage and a repair station**. We aim to **minimize vehicular traffic** to local destinations.
- Asbestos Removal: As part of the demolition, we will complete asbestos and PCB ballast remediation to **remove an environmental hazard from the community**, with the contaminated material being properly reported and disposed of at the Applicant's cost.
- Earthwork for Parking Below Building: We will provide approximately 99 parking spaces beneath portions of the building to assist in eliminating the need for a portion of the asphalt surface parking lot, thereby **reducing heat island effect** (a contributing factor to climate change) and allowing for more extensive landscaping.
- Landscaping: We will **extensively landscape the entire site**, including an interior courtyard, elevated swimming pool deck, and streetscape perimeter, thus providing attractive aesthetics for all community residents and visitors.

TRITEC is a full-service corporation that has demonstrated its dedication to delivering high-quality performance with integrity and lasting value since its inception over thirty years ago. With any questions or comments, please do not hesitate to contact me at 631-706-4112. Thank you for your consideration and we look forward to working with the Agency.

Sincerely,



Robert J. Coughlan
Member, TREC Bay Shore, LLC
Principal, TRITEC Real Estate Company, Inc.





Town of Islip Industrial Development Agency

40 Nassau Ave., Islip, New York

Office – 631-224-5512 / Fax – 631- 224-5532

www.IslipIDA.com

APPLICATION FOR FINANCIAL ASSISTANCE

DATE: **May 7, 2019**

APPLICATION OF: **TREC Bay Shore, LLC**

ADDRESS: **45 Research Way, Suite 100
East Setauket, NY 11733**

TYPE OF APPLICATION: **Straight Lease**

ADDRESS OF PROPERTY
TO RECEIVE BENEFITS: **1700 Union Boulevard
Bay Shore, NY 11706**

S.C. TAX MAP # **District: 0500
Section: 39300
Block: 0300
Lot(s): 021.001**

APPLICANT INSTRUCTIONS

- In order for the Town of Islip IDA Application to be reviewed in a timely manner, it must be complete. All questions must be answered, and all required attachments must be included.
- Use "None" or "Not Applicable" where necessary
- All applicants must submit an original and two (2) copies of all documents to the Agency
- All applications must be accompanied by a \$1,000 non-refundable application fee made out to the Town of Islip Industrial Development Agency, and a \$500 non-refundable fee made out to the Town of Islip for the EAF Review, which is required by the State Environmental Quality Review Act (SEQRA). *If the project has already undergone a SEQRA review during the preview process, then applicant can submit the completed EAF in lieu of the fee.*

APPLICANT CHECKLIST

- I have completed all sections of the application
 - I have signed and notarized the Certification Section (Part IX)
 - I have signed Schedule A regarding the Fee Structure for all IDA transactions
 - I have attached all company financial information required by Part VIII
 - I have completed and signed the Environmental Assessment Form required by SEQRA (if the project has already undergone SEQRA review, submit completed EAF)
 - I have completed Form RP485-b as required by Real Property Tax Law
 - I have submitted the original and two (2) copies of all application materials to the Agency for review
 - I have submitted an application fee check for \$1000 payable to the Town of Islip IDA
 - I have submitted a \$500 check payable to the Town of Islip for the SEQRA review, or the completed EAF
-

INDEX

PART I	OWNER AND USER DATA
PART II	OPERATION AT CURRENT LOCATION
PART III	PROJECT DATA
PART IV	PROJECT COSTS FINANCING
PART V	PROJECT BENEFITS
PART VI	EMPLOYMENT DATA
PART VII	REPRESENTATIONS, CERTIFICATIONS, AND INDEMNIFICATION
PART VIII	SUBMISSION OF MATERIALS
EXHIBIT A	Proposed PILOT Schedule
SCHEDULE A	Agency's Fee Schedule
SCHEDULE B	Construction Wage Policy
SCHEDULE C	Recapture and Termination

Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for Assistance): **TREC Bay Shore, LLC**

Address: **45 Research Way, Suite 100
East Setauket, New York 11733**

Federal Employer: [REDACTED] Website: **N/A**

NAICS Code: [REDACTED]

Owner Certifying the Application: **Robert J. Coughlan (Applicant)**

Title of Office: **Manager**

Phone Number: [REDACTED] Email: [REDACTED]

Applicant is in contract with Touro College to purchase the property in August 2020. Applicant is currently negotiating with several real estate investment vehicles to join as a joint partner in the Project. If negotiations are successful, a new joint venture entity will be created to own the property.

A. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: **Delaware**

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Construction and operation of a 495-unit multifamily rental apartment building with approximately 5,000 square feet of retail/office/medical space.

D. Owner Counsel:

Firm Name: **Farrell Fritz, P.C.**

Address: [REDACTED]
[REDACTED]

Individual Attorney: **Peter L. Curry, Esq.**

Phone Number: [REDACTED]

Email: [REDACTED]

Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

Name	Percent Owned
------	---------------

Class A Members of TREC Bay Shore, LLC:

<u>Robert J. Coughlan</u>	50%
----------------------------------	------------

<u>James L. Coughlan</u>	50%
---------------------------------	------------

E. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

NO

- ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

NO

F. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Certain of the principals own numerous other single-purpose real estate entities, as well as TRITEC Real Estate Company, Inc. and related entities.

G. Is the Owner related to any other organizations by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

NO

H. List parent corporation, sister corporation and subsidiaries:

NONE

Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

NO

E. List major bank references of the Owner:

- **UBS**
- **Capital One**
- **Bank of America**
- **SunTrust Bank**
- **U.S. Bank**
- **People's United Bank**

2. User Data

*** (for co-applicants for assistance or where a landlord / tenant relationship will exist between the owner and the user)***

A. User (together with the Owner, the "Applicant"): N/A

Address: _____

Federal Employer ID #: _____ Website: _____

NAICS Code: _____

User Officer Certifying Application: _____

Title of Officer: _____

Phone Number: _____ E-Mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: _____

C. Nature of Business:

(e.g. "manufacturer of _ for _____ industry"; "distributor of _____", or "real estate holding company")

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I Section (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below:

E. User's Counsel:

Firm Name: _____

Address: _____

Individual Attorney: _____

Phone Number: _____

E-Mail: _____

F. Principal Stockholders or Partners, if any (5% or more equity):

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

- i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

- ii. been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

J. List parent corporation, sister corporations and subsidiaries:

K. Has the User (or any related corporation or person) been involved in or benefitted by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

L. List major bank references of the User:

Part II - Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: N/A
 2. Owned or Leased: N/A
 3. Describe your present location (acreage, square footage, number of buildings, number of floors, etc.):
N/A
 4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
N/A
 5. Are other facilities or related companies of the Applicant located within the State?
Yes No
 - A. If yes, list the Address: **Companies related to the Applicant have developed, constructed and/or managed numerous real estate projects on Long Island.**
 6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes No
 - A. If no explain how current facilities will be utilized: N/A
 - B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:
N/A
 7. Has the Applicant actively considered sites in another state? Yes No
 - A. If yes, please list states considered and explain: **The Applicant develops real estate projects throughout the Mid-Atlantic region of the United States, including the Metro Washington, DC area. Without the requested assistance, the Applicant would look to other States to develop their award-winning transit-oriented residential development housing model.**
 8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No
 - A. Please explain: **The requested financial assistance would not prevent the Applicant from moving out of New York State, but would prevent the Applicant from developing the proposed Project and force the Applicant to focus on investing approximately \$195,700,000 in localities other than Long Island.**
 9. Number of full-time employees at current location and average salary: N/A
-

Part III – Project Data

1. Project Type:

- A. What type of transaction are you seeking? (Check one)
Straight Lease Taxable Bonds Tax-Exempt Bonds
Equipment Lease Only
- B. Type of benefit(s) the Applicant is seeking: (Check all that apply)
Sales Tax Exemption Mortgage Recording Tax Exemption
PILOT Agreement

2. Location of Project:

- A. Street Address: **1700 Union Boulevard, Bay Shore, New York 11706**
- B. Tax Map: District: **0500** Section: **39300** Block: **0300** Lot(s): **021.001**
- C. Municipal Jurisdiction:
- i. Town: **Islip**
 - ii. Village: **N/A**
 - iii. School District: **Bay Shore UFSD**
 - iv. Acreage: **10.34**

3. Project Components (check all appropriate categories):

- A. Construction of a new building(s) Yes No
i. Square footage: **Approximately 600,000 Sq. Ft.**
- B. Renovation of an existing building Yes No
i. Square footage: _____
- C. Demolition of an existing building Yes No
i. Square footage: **83,556 Sq. Ft.**
- D. Land to be cleared or disturbed? Yes No
i. Square footage/acreage: _____
- E. Construction of addition to an existing building Yes No
i. Square footage of addition: _____
ii. Total square footage upon completion: _____
- F. Acquisition of an existing building Yes No
i. Square footage of existing building: **83,556 Sq. Ft.**

G. Installation of machinery and/or Equipment Yes No

i. List principal items or categories of equipment to be acquired:

Apartment appliances; Furniture and other equipment for common area amenities

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? **NO**

i. If no, please list the present Owner of the site: **TOURO COLLEGE**

B. Present use of the proposed location: **Office space, classrooms, and surface parking**

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (if yes, explain): Yes No

Applicant is in contract with current Owner. Applicant serves as Contract Vendee.

E. Is there an existing or proposed lease for the site? (if yes, explain): Yes No

N/A

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site:
Construction and operation of a 495-unit multifamily rental apartment building with approximately 5,000 square feet of retail/office/medical space.

B. Proposed product lines and market demands:

Multifamily housing - Significant demand for rental units on Long Island; extremely low supply of rental housing available on Long Island relative to the national average and neighboring regions.

Retail/Office/Medical space – Significant demand for medical space on Long Island; demand for traditional office/retail space in suburban office parks continues to decline, while demand for office/retail space located in a “downtown” setting near public transit remains strong (such as that proposed for this Project).

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

Multifamily Apartments: 495 apartment units to be leased to future residents (including studios, one-bedroom units, two-bedroom units, and three-bedroom units with an average unit size of 905 square feet).

Retail/Office/Medical Space: 5,000 square feet to be leased to a medical services tenant and/or small boutique office/retail user that would complement, not compete with, the existing downtown retail.

D. Need/purpose for project (e.g. why is it necessary, effect on Applicant’s business):

High quality, new, professionally-managed apartments are in short supply in Suffolk County. The proposed project presents a compelling opportunity to deliver high-quality, upscale, for-rent housing to a deep and underserved group living in the greater Bay Shore area possessing few options presently meeting their housing needs. The existing rental stock in Suffolk County is aging, under-amenitized and generally low quality. This Project will incorporate the core elements of sustainable development, thoughtful land use planning, Smart Growth principles and high design standards to support Bay Shore’s efforts to revitalize its downtown into a lively walkable community. Additional details pertaining to the project’s premium elements can be found in the attached Cover Letter.

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location?

5,000 SF of the project will be dedicated retail/commercial/medical space

6. Project Work:

- A. Has construction work on this project begun? If yes, complete the following: **NO**
- B. What is the current zoning? **Business District**
- C. Will the project meet zoning requirements at the proposed location?
 Yes No
- D. If a change of zoning is required, please provide the details/status of the change of zone request: **The Applicant will make a request to the Town of Islip Board for a change of zone (change from Business District to Downtown Development District zone). The Applicant will comply with the zoning requirements of the Downtown Development District.**
- E. Have site plans been submitted to the appropriate planning department?
 Yes No

7. Project Completion Schedule:

- A. What is the proposed commencement date for the acquisition and the construction / renovation / equipping of the project?
- i. Acquisition: **The Applicant expects to close on the real estate transaction in August of 2020.**
- ii. Construction/Renovation/Equipping: **Demolition will begin immediately post-closing in August 2020; Vertical construction will begin immediately after demolition.**
- B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: **Total construction period is estimated at 37 months. Given the size of this Project, we intend to split construction into two phases. Phase I will be complete within 28 months (300 units to be delivered in Phase I); Phase II will be complete roughly 9 months later (195 units to be delivered in Phase II). Pre-leasing is expected to begin roughly 3 months prior to the completion of construction of each Phase.**

Part IV - Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition*	\$25,200,000
Building(s) demolition/construction	\$81,159,900
Building renovation	\$0.00
Site Work	\$5,825,200
Machinery and Equipment**	\$40,254,900
Legal Fees	\$1,365,000
Architectural/Engineering Fees	\$3,514,000
Financial Charges	\$15,200,800
Other (Specify)	\$23,180,200
Total Project Cost	\$195,700,000

**Acquisition & entitlement costs*

***Machinery & Equipment includes FF&E costs*

Other (specify): due diligence work (environmental, title, geotechnical, and survey work); taxes and insurance; permit fees; consultant, permit, development, construction management and inspection fees; security; accounting fees; marketing; operating reserves; contingencies.

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$0.00	_____ years
B. Taxable bond financing:	\$0.00	_____ years
C. Conventional Mortgage	\$156,560,000.00	<u>30</u> years
D. SBA (504) or other governmental financing	\$0.00	_____ years
E. Public Sources (include sum of all State and Federal grants and tax credits):	\$0.00	_____ years
F. Other loans:	\$0.00	_____ years
G. Owner/User equity contribution:	\$39,140,000.00	_____ years
Total	<u>\$195,700,000.00</u>	

i. What percentage of the project costs will be financed from public sector sources?

0%

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes No

i. If yes, provide detail on a separate sheet.

a. Deposit on the contract of sale;

b. Due diligence work (environmental, title, geotechnical and survey work);

c. Preliminary architectural design work

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

NO

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

NO

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

NO

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$156,560,000 (up to 80% Loan-To-Cost)

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and **1.05%**):

\$ 1,643,880

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$92,445,960 = ((\$81,159,900 + \$5,825,200) x 60%) + \$40,254,900=

- B. Estimated State and local Sales and Use Tax exemption (product **8.625%** and figure above):

\$7,973,464

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above: N/A

i. Owner: \$ _____

ii. User: \$ _____

3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: NO

- B. Agency PILOT Benefit:

i. Term of PILOT requested: 20 Years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed*

and executed.**

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment at the proposed project location at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of year second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	_____	<u>7</u> _____	<u>7</u> _____	<u>7</u> _____
Part-Time**	_____	_____	_____	_____

*The Labor Market Area includes the County/City/Town/Village in which the project is located as well as Nassau and Suffolk Counties.

**Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by Two (2).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Salary Wage Earners: 7	\$53,000 (in today's dollars)	\$21,000 (in today's dollars)
Commission Wage Earners		
Hourly Wage Earners		
1099 and Contract Workers		

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII -Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes No

2. 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? (IF YES, FURNISH DETAILS ON A SEPARATE SHEET)

Yes No

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes No

Without the assistance of the Town of Islip Industrial Development Agency, the Project would not be financially feasible. There have been no significant residential projects undertaken on Long Island without IDA assistance. Maintaining real estate taxes at a partially-abated level allows the Applicant to construct the improvements, lease the units over a reasonable timeframe, stabilize the project, and assist the local community in its redevelopment efforts.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

The Applicant would be unable to move forward with the \$195,700,000 investment in Bay Shore, and subsequently Bay Shore and the Town of Islip will lose the estimated \$27 million annual economic impact, new construction jobs, and new household spending that the Project is estimated to generate. Please find attached to the application a report detailing the expected economic impacts of the Project.

5. The Applicant understands and agrees that the provisions of Section 862(1) of the New York 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.

Initial _____

6. The Applicant understands and agrees that in accordance with Section 858-b(2) of the General Municipal Law, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the project is located (collectively, the "Referral Agencies"). The Applicant also agrees, that it will, except as otherwise provided by collective bargaining contracts or agreements to which they are parties, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

Initial _____

7. 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.

Initial _____

8. 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 the Project.

Initial _____

9. 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(I) of the New York General Municipal Law.

Initial ___

10. In accordance with Section 862(1) of the New York General Municipal Law the Applicant understands and agrees that projects which 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 within the State is ineligible for financial assistance from the Agency, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or to discourage the project occupant from removing such other plant or facility to a location outside the State.

Initial ___

11. 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 who 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 Block 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.

Initial ___

12. The Applicant confirms and hereby acknowledges it has received the Agency's fee schedule attached hereto as Schedule A 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.

Initial ___

13. The Applicant confirms and hereby acknowledges it has received the Agency's [Construction Wage] Policy attached here to as Schedule B and agrees to comply with same.

Initial ___

14. 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, attached hereto as Schedule C.

Initial ___

Part VIII – Submission of Materials

1. Financial statements for the last two fiscal years (unless included in the Applicant's annual report).
2. Applicant's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
3. Quarterly reports (Form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
4. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
5. Completed Short Environmental Assessment Form.
6. Most recent quarterly filing of NYS Department of Labor Form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full- time equivalency for part-time employees.

(Remainder of Page Intentionally Left Blank)

Part IX - Certification

_____ (name of representative of company submitting application) deposes and says that he or she is the _____ (title) of _____, the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; and that the same is true to his or her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of the entity named in the attached Application (the "Applicant") and to bind the Applicant. The grounds of deponent's belief relative to all matters in said Application which are not stated upon his/her personal knowledge are investigations which deponent has caused to be made concerning the subject matter this Application, as well as information acquired by deponent in the course of his/her duties in connection with said Applicant and from the books and papers of the Applicant.

As representative of the Applicant, deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the [_____] Industrial Development Agency (hereinafter referred to as the "Agency") in connection with this Application, the attendant negotiations and all matters relating to the provision of financial assistance to which this Application relates, whether or not ever carried to 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 Applicant is 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 incurred with respect to the application, up to that date and time, including fees to bond or transaction counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the transaction contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, and all other appropriate fees, which amounts are payable at closing.

Representative of Applicant

Sworn to me before this _____
day of _____, 20____

(Seal)

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemption based on estimated tax rates and assessment values to this Exhibit.

VI. CERTIFICATIONS

B. Fee Structure

1. Application Fee--\$1000.00

An application for IDA assistance must be accompanied by a non-refundable fee of \$1,000 plus a \$500 fee for the Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQF.A). (The \$500 fee will be waived if the applicant's project has already undergone a SEQRA review during a previous process, i.e. site plan, building permit, change of zone, etc.)

2. Agency Fee-.006 (for low-cost project, there will be a minimum fee of \$_____

_____). Upon closing of any IDA project, the Agency will assess an administrative fee of one-half of a basis point (.006) against the size of the project. For IDB projects, the .006 will be measured against the final bond amount. For straight-lease transactions, the .006 will be measured against the projected total costs.

3. Agency Counsel--\$250 per hour

The Town of Islip Town Attorney's Office acts as counsel to the Town of Islip IDA and must be reimbursed for time spent on IDA-related transactions. The Agency counsel bills all time spent on IDA matters at \$250 per hour. For IDA closings up to \$5 million, the Agency counsel bills a minimum of \$3,500. For projects greater than \$5 million, the Agency counsel bills a minimum of \$5,100. For all other activities, i.e. terminations, simple consents and waivers, transfer of assets, etc., the Agency counsel will bill at the aforementioned \$250 per hour.

4. Processing Fee--\$500

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a \$500 processing fee for each of these requests.

5. Assignments & Assumptions-\$1,500

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon a sale of the IDA property. The new company often wishes to continue IDA involvement with the property in order to retain the IDA incentives. The Agency will charge a \$1,500 fee for each of these transactions.

6. PILOT Extensions/Modifications- .006

Occasionally, the Agency is asked to extend or modify an existing Payment in Lieu of Taxes Agreement (PILOT). The .006 will be measured against the projected increase of the PILOT benefit

VI. CERTIFICATIONS

B. Fee Structure

7. Annual Administrative Fee- \$1,000

An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all the reporting and monitoring of the transaction. This fee is subject to periodic review and may be adjusted at the discretion of the Agency.

8. Bond/Transaction Counsel-fee negotiated separately

While the Town of Islip IDA is represented locally by the Town of Islip Town Attorney's Office, a separate Bond/Transaction Counsel is also necessary on any IDA project. Bond/Transaction counsels render "third party" opinions that the bond or straight lease transaction is authorized under all federal, state and local statutes. Bond/Transaction counsels also prepare all documents related to IDA transactions and coordinates all activities leading up to closing. The Town of Islip IDA has designed the firm of Nixon Peabody, LLP as its Bond/Transaction counsel and all fees are separately negotiated with them.

I have read and understand the aforementioned explanation of the fees associated with all the Town of Islip Industrial Agency Transaction.

Signature _____

SCHEDULE B

Agency's Construction Wage Policy

CONSTRUCTION WAGE POLICY

Town of Islip Industrial Development Agency

The purpose of the Town of Islip Industrial Development Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in Islip.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs for local residents are encouraged in projects receiving financial assistance from the Agency and that local vendors be used during the construction process.

It is the intent of the Agency that the economic activity created by Agency assisted projects during the construction process benefits local residents and vendors.

- I. The following shall be the policy of the Town of Islip Industrial Development Agency for all applicants for financial assistance:
- II.
 - (A) Employ 90% of the construction workers for the project from within Nassau and Suffolk Counties.
 - (B) Purchase 90% of the building materials form within Bi-County region.

In the event that any of these conditions cannot be met, the applicant shall submit to the Agency an explanation as to the reasons for its failure or inability to comply with such conditions. Furthermore, this policy may be waived, in the sole and final discretion of the Agency, in the event that the applicant demonstrates to the Agency special circumstances or economic hardship to justify a waiver to be furtherance of the purposes and goals of the Town of Islip Industrial Development Agency.

SCHEDULE C

Agency's Recapture and Termination Policy
TOWN OF ISLIP
INDUSTRIAL DEVELOPMENT AGENCY
EFFECTIVE JUNE 7, 2016

Pursuant to Sections 874(10) and (11) of Title I of Article 18-A of the New York State General Municipal Law (the "Act"), the Town of Islip Industrial Development Agency (the "Agency") is required to adopt policies (i) for the discontinuance or suspension of any financial assistance provided by the Agency to a project or the modification of any payment in lieu of tax agreement and (ii) for the return of all or part of the financial assistance provided by the Agency to a project. This Recapture and Termination Policy was adopted pursuant to a resolution enacted by the members of the Agency on June 7, 2016.

I. Termination or Suspension of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to terminate or suspend the Financial Assistance (defined below) provided to a project upon the occurrence of an Event of Default, as such term is defined and described in the Lease Agreement entered into by the Agency and a project applicant (the "Applicant") or any other document entered into by such parties in connection with a project (the "Project Documents"). Such Events of Default may include, but shall not be limited to, the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The decision of whether to terminate or suspend Financial Assistance and the timing of such termination or suspension of Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and shall be subject to the notice and cure periods provided for in the Project Documents.

For the purposes of this policy, the term "Financial Assistance" shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the transaction contemplated by the Project Agreements including, but not limited to:

- (i) any exemption from any applicable mortgage recording tax with respect to the Facility on mortgages granted by the Agency on the Facility at the request of the Applicant;
- (ii) sales tax exemption savings realized by or for the benefit of the Applicant, including and savings realized by any agent of the Applicant pursuant to the

Project Agreements in connection with the Facility; and

(iii) real property tax abatements granted under the Project Agreements.

II. Recapture of Financial Assistance

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) to recapture all or part of the Financial Assistance provided to a project upon the occurrence of a Recapture Event, as such term is defined and described in the Project Documents. Such Recapture Events may include, but shall not be limited to the following:

- 1) Sale or closure of the Facility (as such term is defined in the Project Documents);
- 2) Failure by the Applicant to pay or cause to be paid amounts specified to be paid pursuant to the Project Documents on the dates specified therein;
- 3) Failure by the Applicant to create and/or maintain the FTEs as provided in the Project Documents;
- 4) A material violation of the terms and conditions of the Project Agreements; and
- 5) A material misrepresentation contained in the application for Financial Assistance, any Project Agreements or any other materials delivered pursuant to the Project Agreements.

The timing of the recapture of the Financial Assistance shall be determined by the Agency, in its sole discretion, on a case-by-case basis, and is subject to the notice and cure periods provided for in the Project Documents. The percentage of such Financial Assistance to be recaptured shall be determined by the provisions of the Project Documents.

All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.

For the avoidance of doubt, the Agency may determine to terminate, suspend and/or recapture Financial Assistance in its sole discretion. Such actions may be exercised simultaneously or separately and are not mutually exclusive of one another.

III. Modification of Payment In Lieu of Tax Agreement

In the case of any Event of Default or Recapture Event, in lieu of terminating, suspending or recapturing the Financial Assistance, the Agency may, in its sole discretion, adjust the payments in lieu of taxes due under the Project Agreements, so that the payments in lieu of taxes payable under the Project Agreements are adjusted upward retroactively and/or prospectively for each tax year until such time as the Applicant has complied with the provisions of the Project Agreements. The amount of such adjustments shall be determined by the provisions of the Project Documents.

