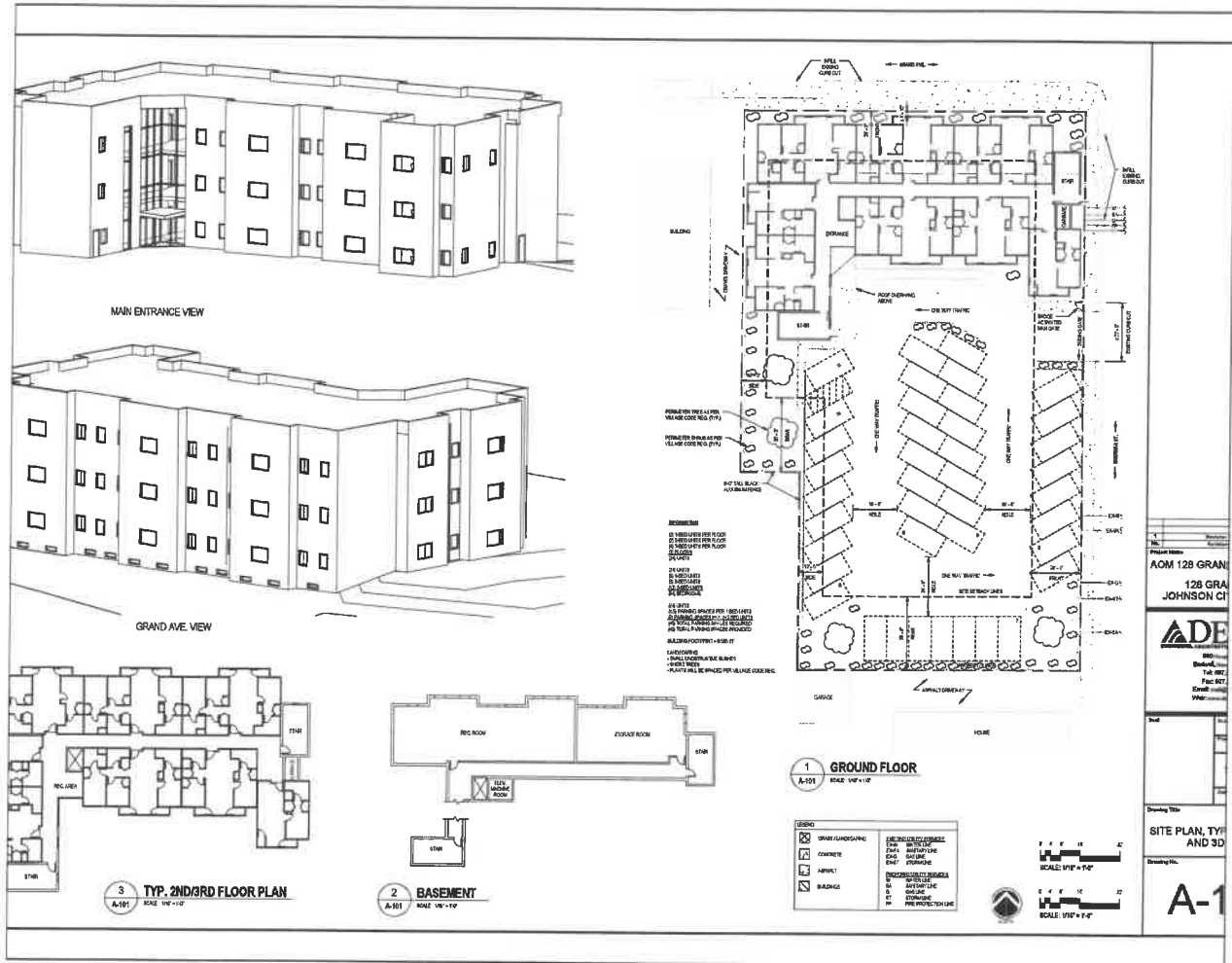


**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PROJECT REVIEW FORM**

Company: AOM 128 Grand Avenue, LLC		IDA Meeting Date: May 16, 2018	
Representative: Praveen Kamath		IDA Public Hearing Date: TBD	
Type of Business: Housing Development Project Start Date: TBD Project End Date: TBD		Company Address: P.O. Box 5371 Passaic, NJ 07055	
Employment: <small>Full-Time Equivalent</small>	Total Yearly Payroll	Own / Lease:	SF / Acreage:
Existing <u>0</u>	1st Year \$ 62,385.00	Own	31,500 s/f
1st year <u>3</u>	2nd Year \$ 66,036.00		
2nd year <u>3</u>	3rd Year \$ 69,911.00		
3rd year <u>3</u>	Total: \$ 198,332.00		
Construction Jobs: 16		Proposed Project Location: 128 Grand Ave, Johnson City, NY 13790	
Company Contact For Bid Documents & Employment Opportunities: Praveen Kamath (646) 715-6663 pkamath@aominvestments.com		Description: *See Attached	
PROJECT BUDGET		ASSESSMENT	
Land Related Costs	\$ 500,000.00	Current Assessment	\$ 12,000.00
Building Related Costs	\$ 4,500,000.00	Asmt. At Completion (Est.)	\$ 108,000.00
M & E Costs		EXEMPTION (Est.)	
F F & E Costs	\$ 240,000.00	Sales Tax @ 8%	\$ 232,000.00
Professional Services/Development Cost	\$ 490,000.00	Mortgage Tax	\$ 40,000.00
Total Other Costs		Property Tax Payments	*See Attached
Working Capital Costs	\$ 450,000.00		
Closing Costs			
Agency Fee	\$ 61,800.00	TOT. PROP. TAX.SVGS:	\$ 1,568,330.36
TOTAL:	\$ 6,241,800.00	TOTAL EXEMPTIONS:	\$ 1,840,330.36
Project Type (Check all that apply)		Project Criteria Met (Check all that apply)	
<input type="checkbox"/> Manufacturing, Warehousing, Distribution <input type="checkbox"/> Agricultural, Food Processing <input type="checkbox"/> Adaptive Reuse, Community Development <input checked="" type="checkbox"/> Housing Development <input type="checkbox"/> Retail* <input type="checkbox"/> Back Office, Data, Call Centers		<input checked="" type="checkbox"/> Project will create and /or retain permanent jobs <input checked="" type="checkbox"/> Project will be completed in a timely fashion <input checked="" type="checkbox"/> Project will create new revenue to local taxing jurisdictions <input checked="" type="checkbox"/> Project benefits outweigh costs <input type="checkbox"/> Other public benefits	
<small>*Uniform Tax Policy does not typically provide tax exemptions for Retail Projects</small>		<small>*New York State Required Criteria</small>	
Pilot Type			
<input type="checkbox"/> Standard _____ year <input type="checkbox"/> <input checked="" type="checkbox"/> Deviated <u>20</u> year			
Staff Comments: This site has sat vacant for a number of years and has contributed to blight in Johnson City. This project will bring new tax revenue and housing opportunities adjacent to the JC Health & Culture District.			

AOM 128 GRAND AVENUE LLC



128 Grand Avenue Project
 Prepared for: The Agency-NY
 Prepared by: Praveen Kamath, Managing Member
 March 29, 2018

EXECUTIVE SUMMARY

Objective

AOM 128 Grand Avenue LLC (the "Applicant") would like to build a modern, state-of-the-art multi-family residential facility (the "Project") in the heart of the Village of Johnson City, about one block away from where SUNY-Binghamton has plans to develop its much-anticipated Health Sciences and Innovative Technology Part. The Project would be an excellent complement to the revitalization of the Johnson City.

Goals

The Applicant hopes that by building the Project, it would put in place yet another beautiful image in the mosaic of the complete revitalization of Johnson City to its heyday, albeit now with a much more modern direction. The Applicant feels that the Project would spur further private development in this area that is now devoid of the same, thereby growing the economic base of Johnson City, and improving the living conditions of its residents by providing several side benefits including increased employment opportunities, safer streets, and most importantly, a hope and dream for the future.

Relief Requested

As will be detailed below, with an expected total construction cost of \$6,324,000 and a Pro Forma Profit & Loss Statement yielding mere nominal net cash flows, without a grant of the relief requested, the Project unfortunately would have to be abandoned and the lot for Project relegated to its current, decade-long abandonment (or sold at a fire sale price in order to mitigate Applicant's losses). As such, the following items of relief are sought:

Applicant requests the following forms of tax relief, each integral and necessary to ensure the launching of the Project:

- Exemption from the New York State eight percent (8%) sales tax;
- Exemption from the one percent (1%) mortgage tax;
- Total real property rent freeze for five (5) years;
- PILOT program lasting twenty (20) years, with each year having an incremental increase of two percent (2%) of the immediate previous year, the first year base being the frozen total real property amount.

Project Outline

The Applicant would like to build a 24-unit multi-family, three-floor plus subterranean basement, residential building, in total approximately 31,500 square feet. The breakdown in square footage planned is as follows: 9,000 SF per each the three floors, and 4,500 SF for the subterranean basement. The building will be built with metal and wood assembly, with modern doors, windows and other finishes. The exterior colors will be consistent with the flavor of the revitalized schemes in this part of Johnson City.

AOM 128 GRAND AVENUE LLC

The Project as planned will be comprised of the following features:

- Twelve 3-bedroom/3 Bath units;
- Six 2-Bedroom/2 Bath units;
- Six 1-Bedroom/1 Bath units;
- Recreation area in basement, with potential cubicles for storage, and including one or more of the following: gym, study area, lounge and game room;
- Modern elevator system;
- Sprinkler system throughout the building;
- Landscaping in and around the building in accordance with the requirements of the Village of Johnson City;
- Gated parking with an electronic FOB-style entry system;
- Private trash removal; and
- Security cameras in place to optimize security to our tenants and neighbors.

BUDGET

The Project will entail an approximate total cost of \$6,324,000, as detailed below.

Description	Cost
Land-Related Costs	\$ 1,660,000
Building-Related Costs	\$ 3,500,000
Furniture/Fixtures Costs	\$ 195,000
Working Capital Costs	\$ 450,000
Professional Services/Development Costs	\$ 519,000
Total	\$ 6,324,000

AOM 128 GRAND AVENUE LLC

PRO FORMA PROFIT & LOSS

Please find below a Pro Forma Profit & Loss Statement of the Project once completed. As is palpable, without the requested relief, the Project would not be financially viable as — even with the real property tax frozen for five (5) years and incrementally raised afterwards at two percent (2%) per year for twenty (20) years under the PILOT program — net cash flow after expenses is nominal.

AOM 128 Grand Avenue LLC	
Pro Forma Income & Expense Statement	
Income	Total
Potential Rental Income	\$5,840,000
Late Payment Fee	\$2,400.00
Rent Concessions	-\$51,840.00
Loss to Income (Yessing)	-\$39,420.00
Total Income	\$5,443,232.00
Gross Profit	\$443,232.00
Expenses	
Advertising	\$2,000.00
Bank Charges	\$500.00
Insurance	\$25,000.00
Interest Expense	\$250,000.00
Legal & Professional Fees	
Mgmt Fees	\$20,100.00
Other	\$2,000.00
Total Legal & Professional Fees	\$24,100.00
Office Expenses	\$725.54
Repair & Maintenance	\$41,500.00
Pest Control	\$2,000.00
Total Repair & Maintenance	\$43,500.00
Taxes & Licenses	
School	\$9,000.00
Town & County	\$4,722.90
Total Taxes & Licenses	\$13,722.90
Total Expenses	\$2,080.00
Utilities	
Cable/Internet/TV	\$1,800.00
Electric	\$17,000.79
Phone	\$660.00
Water & Sewer	\$5,872.61
Total Utilities	\$25,333.40
Capital Expenses	\$46,569.60
Total Expense	\$411,307.62
Net Operating Income	\$1,854.38

CONCLUSION

Applicant would like to be a part of the revitalization of the Village of Johnson City, spearheaded by SUNY-Binghamton and UHS. As these great institutions push ahead with their plans to expand, and in the case of the former, to relocate its Health Sciences and Innovative Technology Park to within about one block of the Project, Applicant would like to add to the hopes and dreams of Johnson City by moving forward with the Project. The Project will service this growth, by providing necessary housing for the expected influx of young professionals, hospital staff, research staff and graduate students.

In order to move ahead, given the high construction costs involved and the nominal net cash flow anticipated from the Project upon completion, Applicant beseeches that the tax relief requested be granted in its entirety, as without receipt of such tax relief, the Project will be completely unviable and Applicant will be forced to abandon it. The key to moving ahead is procuring adequate financing to complete the project, with the main barometer being the Pro Forma Profit and Loss net cash flow yields. The projected income is already very aggressive, with the per unit rent rate being on the very high end for the area, thus relegating any positive returns to cutting the expense side. Its on the expense side, other than debt service, the largest line item is real property tax. Without a full grant of the requested tax relief, the Project would yield a loss of thirty three percent (33%) of the Total Income!

In the case of the Project, there would be no way for the Applicant to receive sufficient financing without the sought tax relief, as the as-complete net cash flow yield would be negative, relegating Applicant to equity financing which is not readily available (for similar reasons). Only the right blend of debt and equity financing will allow the Project to proceed.

For the reasons stated above, Applicant respectfully requests approval of the full tax relief sought herein for the Project. Thank you in advance for your consideration of this request.

**AOM 128 Grand Avenue LLC
Revised PILOT Schedule**

Pymt\Yr	PILOT year	PILOT assessment	Percentage of PILOT assessment to be paid	Annual PILOT Payment (with 2%/year rate)	Annual PILOT Paid To: Town/County	Annual PILOT Paid To: School	Annual PILOT Paid To: JC Village	Taxable Assessment	Payment at Town/County Tax Rate (222.02/1000)	Payment at JC School Tax Rate (585.17/1000)	Payment at JC Village Tax Rate (339.41/1000)	Total Tax Rate (1146.6/1000)	Annual TOTAL Difference
1	2021	\$108,000.00	0.120	\$15,157.21	\$4,486.71	\$7,744.23	\$2,925.09	\$108,000.00	\$23,978.16	\$63,198.36	\$36,656.28	\$123,832.80	\$108,675.59
2	2022	\$108,000.00	0.125	\$16,104.54	\$4,787.13	\$8,228.24	\$3,118.54	\$108,000.00	\$24,457.72	\$64,462.33	\$37,389.41	\$126,309.46	\$110,204.92
3	2023	\$108,000.00	0.130	\$17,083.70	\$5,056.97	\$8,728.52	\$3,308.14	\$108,000.00	\$24,946.88	\$65,751.57	\$38,137.19	\$128,835.65	\$111,751.95
4	2024	\$108,000.00	0.135	\$18,095.58	\$5,356.50	\$9,245.52	\$3,504.09	\$108,000.00	\$25,445.82	\$67,066.61	\$38,899.94	\$131,412.36	\$113,316.78
5	2025	\$108,000.00	0.140	\$19,141.10	\$5,665.98	\$9,779.70	\$3,706.54	\$108,000.00	\$25,954.73	\$68,407.94	\$39,677.94	\$134,040.61	\$114,899.51
6	2026	\$108,000.00	0.145	\$20,221.20	\$5,985.71	\$10,331.56	\$3,915.70	\$108,000.00	\$26,473.83	\$69,776.10	\$40,471.50	\$136,721.42	\$116,500.21
7	2027	\$108,000.00	0.150	\$21,336.86	\$6,315.95	\$10,901.57	\$4,131.74	\$108,000.00	\$27,003.30	\$71,171.62	\$41,280.92	\$139,455.85	\$118,118.99
8	2028	\$108,000.00	0.250	\$36,272.66	\$10,737.12	\$18,532.67	\$7,023.96	\$108,000.00	\$27,543.37	\$72,595.05	\$42,106.54	\$142,244.96	\$105,972.31
9	2029	\$108,000.00	0.260	\$38,478.03	\$11,389.93	\$19,659.46	\$7,451.01	\$108,000.00	\$28,094.24	\$74,046.95	\$42,948.67	\$145,089.86	\$106,611.83
10	2030	\$108,000.00	0.270	\$40,757.12	\$12,064.57	\$20,823.90	\$7,892.34	\$108,000.00	\$28,656.12	\$75,527.89	\$43,807.65	\$147,991.66	\$107,234.54
11	2031	\$108,000.00	0.280	\$43,111.97	\$12,761.63	\$22,027.06	\$8,348.34	\$108,000.00	\$29,229.24	\$77,038.45	\$44,683.80	\$150,951.49	\$107,839.52
12	2032	\$108,000.00	0.290	\$45,544.72	\$13,481.75	\$23,270.02	\$8,819.43	\$108,000.00	\$29,813.63	\$78,579.22	\$45,577.48	\$153,970.52	\$108,425.80
13	2033	\$108,000.00	0.490	\$78,493.97	\$23,235.10	\$40,104.67	\$15,199.83	\$108,000.00	\$30,410.10	\$80,150.80	\$46,489.03	\$157,049.93	\$78,555.97
14	2034	\$108,000.00	0.590	\$96,403.41	\$28,536.50	\$49,255.09	\$18,667.87	\$108,000.00	\$31,018.31	\$81,753.82	\$47,418.81	\$160,190.93	\$83,787.52
15	2035	\$108,000.00	0.690	\$114,997.83	\$34,040.66	\$58,755.47	\$22,268.55	\$108,000.00	\$31,636.67	\$83,388.89	\$48,354.53	\$163,394.75	\$48,396.92
16	2036	\$108,000.00	0.790	\$134,287.46	\$39,753.57	\$68,616.17	\$26,005.80	\$108,000.00	\$32,271.45	\$85,056.67	\$49,334.53	\$166,662.64	\$32,365.18
17	2037	\$108,000.00	0.890	\$154,323.08	\$45,881.38	\$78,847.80	\$29,883.63	\$108,000.00	\$32,916.88	\$86,757.81	\$50,321.22	\$169,995.90	\$15,672.81
	TOTALS			\$909,820.42	\$269,317.17	\$464,851.65	\$176,180.60		\$479,852.64	\$1,264,730.06	\$733,568.08	\$2,478,150.78%	\$1,568,330.38

Tax Freeze Years	Current Assessment	Total Annual Payment	Annual PILOT Paid To: Town/County	Annual PILOT Paid To: School	Annual PILOT Paid To: JC Village
2018	\$12,000.00	\$13,759.27	\$4,072.90	\$7,029.98	\$2,664.39
2019	\$12,000.00	\$13,759.27	\$4,072.90	\$7,029.98	\$2,664.39
2020	\$12,000.00	\$13,759.27	\$4,072.90	\$7,029.98	\$2,664.39
TOTALS		\$41,277.82	\$12,218.70	\$21,089.94	\$7,993.17

WORKSPACE

Current Assessment	Annual Payment	Annual Paid To: Town/County	Annual Paid To: JC School	Annual Paid To: JC Village
2017	\$12,000.01	0.296011344	0.510928815	0.193643267

PER JOE COOK'S ASSESSMENT

FMV	\$2,500,000.00
EQ RATE	4.32%
ASSESSED VALUE	\$108,000.00
2018 TOWN/COUNTY	\$23,978.16
2017 JC SCHOOL	\$63,198.36
2017 JC VILLAGE	\$36,656.28
TOTAL	\$123,832.80