

A regular meeting of the Broome County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Broome County Industrial Development Agency located at FIVE South College Drive, Town of Dickinson, Broome County, New York on Wednesday, May 16, 2018, at 12:00 o'clock p.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

| | | |
|----------|----------------------|---------------|
| PRESENT: | Terrence M. Kane | Chairman |
| | Wayne L. Howard | Vice Chairman |
| | John M. Bernardo | Secretary |
| | John J. Stevens | Treasurer |
| | Diane M. Marusich | Member |
| | Lamont T. Pinker | Member |
| | Richard Bucci | Member |
| | James G. Rounds, Jr. | Member |
| ABSENT: | Stephen P. Feehan | Member |

THE FOLLOWING PERSONS WERE ALSO PRESENT:

| | |
|-------------------------|--------------------|
| Kevin McLaughlin | Executive Director |
| Joseph B. Meagher, Esq. | Agency Counsel |

The following resolution was offered by Mr. Bernardo, seconded by Mr. Howard, to wit:

RESOLUTION ACCEPTING AN APPLICATION FROM AOM 128 GRAND AVENUE LLC FOR A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE CONSTRUCTION AND EQUIPPING OF 128 GRAND AVENUE IN THE VILLAGE OF JOHNSON CITY, BROOME COUNTY, NEW YORK AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH RESPECT THERETO.

This Resolution shall take effect immediately.

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

| | | |
|----------------------|--------|--------|
| Terrence M. Kane | voting | Yes |
| Wayne L. Howard | voting | Yes |
| John M. Bernardo | voting | Yes |
| John J. Stevens | voting | Yes |
| Stephen P. Feehan | voting | Absent |
| Diane M. Marusich | voting | Yes |
| Lamont T. Pinker | voting | Yes |
| Richard A. Bucci | voting | Yes |
| James G. Rounds, Jr. | voting | Yes |

The foregoing Resolution was thereon declared duly adopted.

STATE OF NEW YORK:

: ss.:

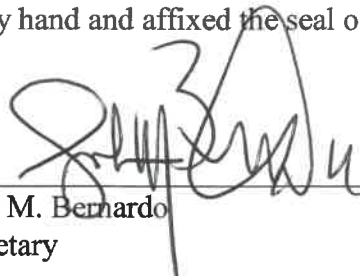
COUNTY OF BROOME :

I, the undersigned Secretary of the Broome County Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on May 16, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 20th day of June, 2018.



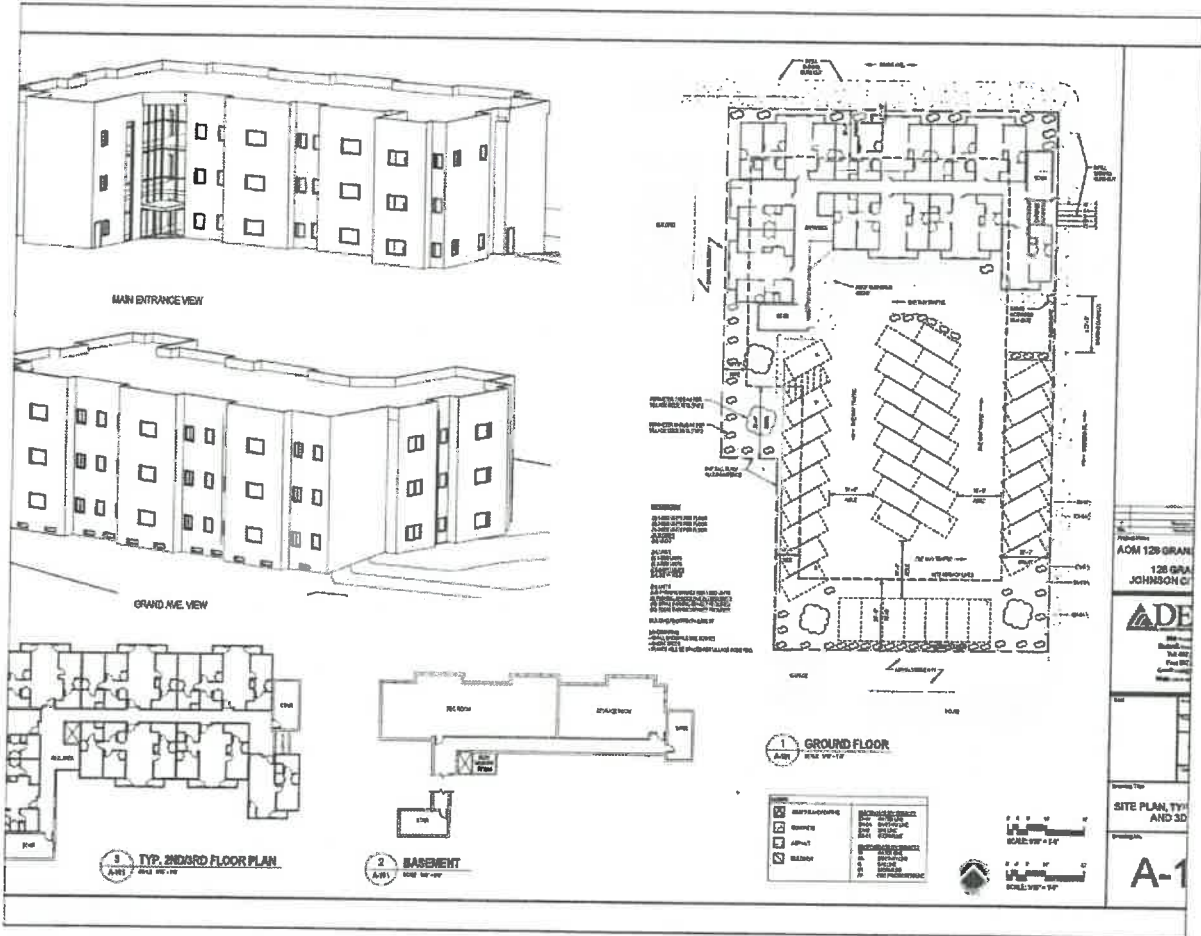
John M. Bernardo
Secretary

(SEAL)

**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 | | Company Address: P.O. Box 5371 Passaic, NJ 07055 | | | | | | | | | | | |
| Project Start Date: TBD | | | | | | | | | | | | | |
| Project End Date: TBD | | | | | | | | | | | | | |
| Employment: <table border="1"> <tr> <td>Full-Time Equivalent</td> <td>Total Yearly Payroll</td> </tr> <tr> <td>Existing <u>0</u></td> <td>1st Year \$ 62,385.00</td> </tr> <tr> <td>1st year <u>3</u></td> <td>2nd Year \$ 66,036.00</td> </tr> <tr> <td>2nd year <u>3</u></td> <td>3rd Year \$ 69,911.00</td> </tr> <tr> <td>3rd year <u>3</u></td> <td>Total: \$ 198,332.00</td> </tr> </table> | | Full-Time Equivalent | Total Yearly Payroll | Existing <u>0</u> | 1st Year \$ 62,385.00 | 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 | Own / Lease: Own | SF / Acreage: 31,500 s/f |
| Full-Time Equivalent | Total Yearly Payroll | | | | | | | | | | | | |
| Existing <u>0</u> | 1st Year \$ 62,385.00 | | | | | | | | | | | | |
| 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) <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 <i>*Uniform Tax Policy does not typically provide tax exemptions for Retail Projects</i> | | Project Criteria Met (Check all that apply) <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 <i>*New York State Required Criteria</i> | | | | | | | | | | | |
| 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 |
| Estimated Rental Income | \$5,940,000 |
| Late Payment Fee | \$2,292.00 |
| Rent Concessions | -\$1,847.00 |
| Loss to Income (Vacancy) | -\$40,125.00 |
| Total Income | \$449,292.00 |
| Gross Profit | \$449,292.00 |
| Expenses | |
| Advertising | \$2,000.00 |
| Bank Charges | \$100.00 |
| Insurance | \$25,000.00 |
| Interest Expense | \$150,000.00 |
| Legal & Professional Fees | |
| Mgmt Fees | \$22,400.00 |
| Other | \$2,000.00 |
| Total Legal & Professional Fees | \$24,400.00 |
| Office Expenses | \$725.54 |
| Repair & Maintenance | \$4,000.00 |
| Pest Control | \$2,000.00 |
| Total Repair & Maintenance | \$4,000.00 |
| Taxes & Licenses | |
| Sales | \$9,000.97 |
| Tour & County | \$4,072.90 |
| Total Taxes & Licenses | \$13,073.87 |
| Total Expenses | \$2,083.00 |
| Utilities | |
| Cable/Internet | \$1,000.00 |
| Electric | \$7,000.00 |
| Phone | \$600.00 |
| Water & Sewer | \$6,000.00 |
| Total Utilities | \$14,600.00 |
| Commissions | \$40,000.00 |
| Total Expenses | \$411,307.62 |
| Net Operating Income | \$1,654.33 |

AOM 128 Grand Avenue LLC

Pro Forma Income & Expense Statement

| <u>Income</u> | <u>Total</u> |
|--|---------------------|
| Potential Rental Income | \$518,400.00 |
| Late Payment Fee | \$2,592.00 |
| Rent Concessions | -\$51,840.00 |
| Loss to Income (Vacancy) | -\$25,920.00 |
| Total Income | \$443,232.00 |
| | |
| Gross Profit | \$443,232.00 |
| | |
| <u>Expenses</u> | |
| Advertising | \$2,000.00 |
| Bank Charges | \$200.00 |
| Insurance | \$25,000.00 |
| Interest Expense | \$250,000.00 |
| Legal & Professional Fees | |
| Mgmt Fees | \$22,161.60 |
| Other | \$2,000.00 |
| Total Legal & Professional Fees | \$24,161.60 |
| Office Expenses | \$725.54 |
| Repair & Maintenance | \$41,520.00 |
| Pest Control | \$2,000.00 |
| Total Repair & Maintenance | \$43,520.00 |
| Taxes & Licenses | |
| School | \$9,686.37 |
| Town & County | \$4,072.90 |
| Total Taxes & Licenses | \$13,759.27 |
| Travel Expenses | \$2,080.00 |
| Utilities | |
| Cable/Internet/tv | \$1,800.00 |
| NYSEG | \$27,890.74 |
| Phone | \$850.00 |
| Water & Sewer | \$5,812.81 |
| Total Utilities | \$36,353.55 |
| Capital Reserves | \$44,323.20 |
| Total Expenses | \$441,397.62 |
| | |
| <u>Net Operating Income</u> | \$1,834.38 |

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% increase to be paid) | Annual PILOT Paid To: Town/County | Annual PILOT Paid To: JC 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 (1146.61/1000) | Annual TOTAL Difference |
|---------|------------|------------------|---|--|-----------------------------------|---------------------------------|----------------------------------|--------------------|---|---|--|-------------------------------|-------------------------|
| 1 | 2021 | \$108,000.00 | 0.120 | \$15,157.21 | \$4,496.71 | \$7,744.23 | \$2,935.09 | \$108,000.00 | \$23,976.16 | \$93,198.35 | \$36,656.28 | \$123,832.80 | \$108,675.59 |
| 2 | 2022 | \$108,000.00 | 0.125 | \$16,104.54 | \$4,767.13 | \$8,228.24 | \$3,116.54 | \$108,000.00 | \$24,457.72 | \$94,462.33 | \$37,389.41 | \$128,309.46 | \$110,204.92 |
| 3 | 2023 | \$108,000.00 | 0.130 | \$17,063.70 | \$5,036.97 | \$8,728.52 | \$3,306.14 | \$108,000.00 | \$24,946.88 | \$95,751.57 | \$38,137.19 | \$128,635.66 | \$111,751.95 |
| 4 | 2024 | \$108,000.00 | 0.135 | \$18,035.68 | \$5,315.50 | \$9,245.52 | \$3,504.09 | \$108,000.00 | \$25,443.82 | \$97,066.61 | \$38,899.94 | \$131,412.36 | \$113,316.78 |
| 5 | 2025 | \$108,000.00 | 0.140 | \$19,141.10 | \$5,605.98 | \$9,778.70 | \$3,708.54 | \$108,000.00 | \$25,954.73 | \$98,407.94 | \$39,677.94 | \$134,040.61 | \$114,899.51 |
| 6 | 2026 | \$108,000.00 | 0.145 | \$20,221.20 | \$5,905.71 | \$10,331.58 | \$3,915.70 | \$108,000.00 | \$26,473.83 | \$99,776.10 | \$40,471.50 | \$136,721.42 | \$116,500.21 |
| 7 | 2027 | \$108,000.00 | 0.150 | \$21,338.86 | \$6,215.95 | \$10,901.57 | \$4,131.74 | \$108,000.00 | \$27,003.30 | \$101,171.82 | \$41,280.92 | \$139,455.65 | \$118,118.66 |
| 8 | 2028 | \$108,000.00 | 0.155 | \$22,492.68 | \$6,541.98 | \$11,502.67 | \$4,360.00 | \$108,000.00 | \$27,543.37 | \$102,604.24 | \$42,106.54 | \$142,244.96 | \$119,766.88 |
| 9 | 2029 | \$108,000.00 | 0.160 | \$23,692.80 | \$6,882.93 | \$12,135.67 | \$4,601.01 | \$108,000.00 | \$28,093.47 | \$104,068.85 | \$42,949.67 | \$145,089.86 | \$121,448.31 |
| 10 | 2030 | \$108,000.00 | 0.165 | \$24,948.80 | \$7,244.57 | \$12,802.90 | \$4,854.34 | \$108,000.00 | \$28,653.83 | \$105,559.49 | \$43,807.65 | \$147,981.66 | \$123,174.54 |
| 11 | 2031 | \$108,000.00 | 0.170 | \$26,260.20 | \$7,627.08 | \$13,507.02 | \$5,119.43 | \$108,000.00 | \$29,223.24 | \$107,068.45 | \$44,683.80 | \$150,951.49 | \$124,948.80 |
| 12 | 2032 | \$108,000.00 | 0.175 | \$27,627.60 | \$8,034.34 | \$14,245.09 | \$5,396.83 | \$108,000.00 | \$29,802.02 | \$108,599.89 | \$45,577.48 | \$153,970.52 | \$126,772.31 |
| 13 | 2033 | \$108,000.00 | 0.180 | \$29,051.40 | \$8,474.75 | \$15,016.67 | \$5,686.57 | \$108,000.00 | \$30,390.70 | \$110,152.33 | \$46,483.03 | \$157,049.83 | \$128,648.80 |
| 14 | 2034 | \$108,000.00 | 0.185 | \$30,532.20 | \$8,946.66 | \$15,822.09 | \$5,988.33 | \$108,000.00 | \$30,990.00 | \$111,733.82 | \$47,416.81 | \$160,190.93 | \$130,572.31 |
| 15 | 2035 | \$108,000.00 | 0.190 | \$32,070.60 | \$9,450.57 | \$16,663.47 | \$6,299.55 | \$108,000.00 | \$31,600.00 | \$113,343.37 | \$48,367.18 | \$163,394.75 | \$132,548.80 |
| 16 | 2036 | \$108,000.00 | 0.195 | \$33,667.20 | \$9,986.38 | \$17,530.80 | \$6,621.17 | \$108,000.00 | \$32,221.45 | \$114,984.87 | \$49,334.53 | \$166,662.64 | \$134,574.81 |
| 17 | 2037 | \$108,000.00 | 0.200 | \$35,322.60 | \$10,554.17 | \$18,444.65 | \$6,963.83 | \$108,000.00 | \$32,854.04 | \$116,738.41 | \$50,321.22 | \$169,995.90 | \$136,854.81 |
| | TOTALS | | | \$809,820.42 | \$269,317.17 | \$464,851.65 | \$176,190.60 | | \$479,652.64 | \$1,264,730.06 | \$733,568.08 | \$2,478,150.78 | \$1,566,330.36 |

| Tax Freeze Years | Current Assessment | Total Annual Payment | Annual PILOT Paid To: Town/County | Annual PILOT Paid To: JC 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 | \$21,089.84 | \$7,969.17 |

| PER JOE COOK'S ASSESSMENT | Current Assessment | Total Annual Payment | Annual PILOT Paid To: Town/County | Annual PILOT Paid To: JC School | Annual PILOT Paid To: JC Village |
|---------------------------|--------------------|----------------------|-----------------------------------|---------------------------------|----------------------------------|
| 2017 | \$12,000.01 | \$13,759.27 | 0.296011544 | 0.510926615 | 0.193043267 |

| TOWN/COUNTY | FMV | EQ RATE | ASSESSED VALUE |
|-----------------|----------------|---------|----------------|
| 2018 | \$2,500,000.00 | 4.32% | \$108,000.00 |
| 2017 JC SCHOOL | | | \$63,188.36 |
| 2017 JC VILLAGE | | | \$38,656.28 |
| TOTAL | | | \$123,832.80 |