

**APPLICATION FOR TAX EXEMPTION – LEASE TRANSACTIONS**

Date: November 18, 2010

Company Name: Affordable Senior Housing Opportunities of New York, Inc.

Address: 348 Harris Hill Road – Suite B

Williamsville, New York 14221

Contact Person: Michael Connors Telephone: (716) 204-1190

List the name and address of the individual or company to appear on the lease

Name: Limited Liability Company To Be Formed

Address: 348 Harris Hill Road

Williamsville, New York 14221

**BUSINESS INFORMATION**

Date Established July 18, 2003

Principal Business Activity Provision of affordable housing opportunities for senior citizens capable of living independently.

Number of Present Employees 9 Full-time 9 Part-time 0

Type of Organization: Corporation  Public  Private  Partnership   
Sole Proprietorship

Name of Affiliates and/or Subsidiaries Limited Liability Company To Be Formed

<b>COMPANY OFFICERS</b>			
<b>Name</b>	<b>Office</b>	<b>% Ownership</b>	<b>SS #</b>
<b>Richard Greenspan</b>	<b>President</b>	<b>N/A</b>	

Total amount of tax exempt industrial revenue bonds presently outstanding in the name of the individual(s), company, and any parent, affiliate or subsidiary

Zero

<b>Legal Counsel</b>
Name: Lippes, Mathias, Wexler & Friedman Blaine S. Schwartz
Address: 665 Main Street – Suite 300 Buffalo, New York 14203
Phone: (716) 853-5100

<b>Accountant</b>
Name: Freed Maxick & Battaglia, PC
Address: 424 Main Street, Liberty Building, 800 Buffalo, New York 14202
Phone: (716) 847-2651

### **PROJECT DATA**

1. Attach complete narrative description of project including location, proposed product lines and market projections, square feet by usage, type construction, machinery for products, machinery for building, office, parking HVAC, and any items for which bond proceeds will be expended.
2. Attach a photo of the site or existing facility to be improved.
3. Attach copies of preliminary plans or sketches of proposed construction of floor plan of existing facility.

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**Narrative Description**

The Johnson City Senior Apartments shall entail the construction of a single, three-story, wood frame, fully sprinklered apartment building for senior citizens capable of living independently. The building will be located at 1035 Anna Maria Drive-Rear and 1039 Anna Maria Drive. As part of the construction of the apartment building, 149 off street parking spaces shall be implemented on the property.

Apartments shall be equipped with a refrigerator, stove, microwave and dishwasher. The building will also feature community rooms, laundry facilities, a beauty parlor, lounges, an exercise room, staff offices and an elevator.

Construction of the apartment building shall commence upon receipt of the necessary approvals and will be completed approximately twelve months thereafter.

There is a strong need for affordable housing for senior citizens in the Village of Johnson City, Broome County and throughout New York state. A lack of affordable housing units may ultimately force elderly persons to seek affordable housing in other Villages, Towns, Counties or States. Our target market is a senior citizen 60 years of age or greater who earns approximately 60-80% of the area median income. We have found that this segment of the senior population is largely unserved. There are subsidized housing opportunities, such as apartments financed through HUD's Section 202 program, for senior citizens whose income is at or below 50% of the area median. There are also projects financed through the New York State Low Income Housing Tax Credit (NYSLIHTC) program that provide affordable housing opportunities for seniors earning less than 60% of the area income. The seniors we hope to serve are not eligible to live in the buildings financed through HUD or the NYSLIHTC program because they make too much money. However, seniors in our target market cannot afford assisted living opportunities that may be available since assisted living facility rents are typically \$2,000 to \$3,500 a month.

The applicant is seeking a sales tax exemption on the purchase of construction materials and the furniture, fixtures and equipment associated with the project. Additionally, the applicant is seeking exemption from mortgage recording tax and a Payment In Lieu of Tax Agreement (PILOT). The Village of Johnson City has unanimously passed a resolution authorizing an alternate abatement schedule for the proposed PILOT. A copy of the resolution and corresponding alternate abatement schedule is included as part of this application. The project is not economically viable without utilization of the alternate abatement schedule.

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The PILOT agreement shall provide property tax relief for a period of ten years. Upon the expiration of the term associated with the PILOT, the apartment building will pay full tax. The special district taxes shall not be applicable to the PILOT. The total assessment for the project site in 2010 was \$1,550. The apartment building will not place any burden on the school system and seniors who may sell their home to move into the apartment building will likely sell their home to a younger couple, thus removing the home's eligibility for enhanced star or other tax reduction programs designed to assist elderly homeowners.

The project shall provide approximately 42 construction jobs and two and a half permanent jobs upon completion of the construction.

But for Broome County Industrial Development Agency participation, the proposed project will not proceed and is not economically viable. The Village of Johnson City and Broome County senior population would lose the benefit of the creation of jobs during the construction period and the jobs created upon the completion of construction. In addition, the Village and the County would lose the benefit of the creation of 125 affordable housing units for senior citizens within the Village, which may ultimately force seniors to move out of the Village of Johnson City, Broome County and State of New York. Further, the Village, Town, County and School District would lose the benefit of the additional tax revenue generated by the project. The total assessment for the project site in 2010 was \$1,550. The use of the property is rather limited due to the topography at the site. The implementation of the apartment building for senior citizens would result in a tax revenue increase of several multiples even when factoring the PILOT agreement.

The apartment building will serve a largely unmet need in the Village of Johnson City and Broome County through the provision of a quality housing opportunity for senior citizens that is new, safe, affordable, specifically designed for senior citizens and professionally managed.



Dennis F. Hannon, Mayor

OFFICE OF THE CLERK/TREASURER  
VILLAGE OF JOHNSON CITY

Municipal Building  
243 Main Street • Johnson City 13790  
Phone (607) 798-7861 • Fax (607) 798-7865  
E-mail: jcclerk@stny.ny.gov • www.johnsoncityny.org

**Resolution #188** – Authorize the Consenting to Broome County IDA entering into a non-standard ten (10) year Payment in Lieu of Taxes Agreement Schedule with Affordable Housing Opportunities of New York, Inc. for 1035 & 1039 Anna Maria Drive, Johnson City, New York.

**Motion by Trustee Silas and seconded by Novobilski:**

To authorize the consenting to Broome County IDA entering into a non-standard ten (10) year Payment In Lieu of Taxes Agreement Schedule with Affordable Senior Housing Opportunities of New York, Inc. for 1035 & 1039 Anna Maria Drive, Johnson City, New York as follows:

Year 1	20%
Year 2	25%
Year 3	30%
Year 4	35%
Year 5	40%
Year 6	45%
Year 7	50%
Year 8	55%
Year 9	60%
Year 10	60%
Year 11	100%

100% of land assessment would be paid and any special district assessments would be paid at full value (library, ambulance, etc.); and be it further

Resolved, that the PILOT agreement shall otherwise be in a form acceptable to counsel for the Village; and be it further

Resolved, that the Broome County IDA be provided a copy of the foregoing resolution.

Board Members Polled:      Ayes 5      Nays 0  
Resolution Was Adopted

**CERTIFICATION FORM**

STATE OF NEW YORK )  
COUNTY OF BROOME )

I, THOMAS A. JOHNSON, clerk of the Village of Johnson City, Broome County, of the State of New York, Do HEREBY CERTIFY, that I have compared the above motion duly adopted at a Regular Meeting of the Board of Trustees of the Village of Johnson City held on October 5, 2010, with the original said Resolution on file in my office as Clerk/Treasurer of said Village and that the same is true and exact copy thereof and of the whole thereof.

In WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Johnson City, New York, as Clerk/Treasurer this 12th day of October 2010.

Thomas A Johnson, Village Clerk

4. Attach environmental assessment form.
5. Are utilities on site or must they be brought in? If so, which ones?  
Utilities are available at the property.
6. Who presently is legal owner of building or site? Roseann Dellapenna
7. Is there an existing or proposed lease for all or a portion of the project?  
Yes  No  If so, attach copy.
8. Is there a purchase option in force or other legal or common control in the project which is described under the bond proposal? If so, detail on attached sheet. Yes, see attached Purchase and Sale Agreement.
9. If Applicant will not occupy 100% of the building in a real estate related transaction, provide a list of all tenants. Tenants shall be identified during the construction period.
10. Is owner or tenant(s) responsible for payment of real property taxes? The owner shall be responsible for the payment of real property taxes.

### **EMPLOYMENT AND TAX INFORMATION**

All applicants must answer the following as they pertain to the County in which the project is located. For start up companies or new real estate projects, please provide estimates for #9. If a question is not applicable, answer N/A. **Provide total employment of each tenant in building for multi-tenant properties.**

**IF ALL QUESTIONS ARE NOT ANSWERED, THE APPLICATION CAN NOT BE CONSIDERED.**

1. Project location (county) Broome
2. Current employment in county Zero
3. Projected 1st year new employment in county 2.5
4. Projected 3rd year total employment in county 2.5
5. Current payroll in county Zero

- 6. Projected 1st year new payroll in county \$70,000
- 7. Projected 3rd year total payroll in county \$77,000
- 8. Current annual real property tax payments made within county (include total of taxes paid to County, Town/ Village/City, School District and any Special District Charges or PILOT Payments) Zero
- 9. Additional estimated tax payments (for start-ups/new real estate projects only) TBD – Based Upon Assessed Value

**PROJECT COSTS**

- 1. Give an accurate estimate of cost or value of all items whose title will be transferred to the Broome County IDA.

	<b>Amount</b>
Land & building (current value or cost if new construction)	\$ 8,000,000
Proposed Additions	\$ 0
Renovations	\$ 0
Engineering Fees	\$ 17,000
Legal & Financial Charges	\$ 50,000
Other (specify) Architectural Fees	\$ 26,000
<b>TOTAL PROJECT COST (OR VALUE)</b>	<b>\$ 8,093,000</b>
Project related costs subject to sales tax	\$ 0
Total amount of mortgage(s) currently outstanding on property	\$ 0
Amount of new mortgage(s) required for project	\$8,093,000

- 2. List Financing Sources

Lending Institution TBD

- 3. Is there a commitment for financing? No

If so, give name, address and copy of commitment, if available.

Name: Lending Institution TBD
Address:
Phone:

**CERTIFICATION**

Richard Greenspan

(name of chief executive officer of company submitting application) deposes and says that he is the President of, the corporation named in the (company name) attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason for this verification is made by the deponent and not by Affordable Senior Housing Opportunities of New York, Inc. (company name) is that the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigation which deponent has caused to be made concerning the subject matter of this application as well as 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 applicant shall be and is responsible for all costs incurred by the Broome County Industrial Development Agency (hereinafter referred to as the "Agency") in processing the application, in negotiating with the applicant and others, in preparing necessary financing documents, and in taking any other action necessary or appropriate toward the issuance of the lease requested in this application. 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 consummate this transaction and execute the lease, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assignees all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of general counsel for the Agency.

An origination fee of \$1,000.00 shall, at the time of the execution of this certification, be payable to Broome County Industrial Development Agency. This origination fee is nonrefundable, regardless of whether the lease hereunder fails to close for reasons beyond either your control or the control of the Broome County Industrial Development Agency.

If the lease transaction hereunder closes, then upon the happening of that event, the \$1,000.00 so paid shall be credited to the agency fee hereinafter referred to.

Upon execution of the lease applied for herein, the applicant agrees to pay the Agency a fee in such amount as shall be set by the Agency, not to exceed an amount equal to 1% of the aggregate cost of the project or value of the assets outlines on page 4 of this application.



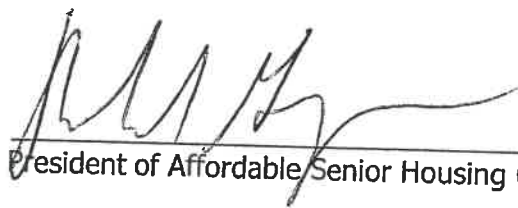
The applicant acknowledges that the project must at all times be in compliance with all Federal, State and Local statutes, ordinances, rules and regulations including, but not limited to, Immigration and Naturalization Laws, Civil Rights Laws, Occupational Health and Safety Administration(OSHA), NYS Labor Law, Workers Compensation Law, Unemployment Insurance Law, and Disability Benefits Insurance Law.

### CERTIFICATION

The applicant will be required to certify to the Agency quarterly, in such manner as the Agency shall in its discretion require, that the project is full compliance with such statutes, ordinances, rules and regulations. An applicant failing to provide proper and accurate certification as required by the Agency shall be subject to termination of benefits received from, by or through the Agency and may, in the Agency's discretion, be required to reimburse the Agency and/or any effected taxing jurisdictions for benefits received including, but not limited to sales and use tax exemptions, mortgage tax exemptions and real property tax abatements.

The Agency believes that public benefits accruing from the Agency's programs and policies should be used to advance the overall employment and economic opportunities within the Broome County and surrounding areas. This policy is best advanced when companies which benefit from the Agency's programs and policies employ New York State residents in general, and Broome County residents in particular, during the construction phase of any Agency sponsored project.

To the extent practicable, the Agency strongly encourages applicants to employ local labor, contractors and suppliers in the development of projects that benefit from the Agency's assistance and to afford local contractors an opportunity to participate in such projects. The term "local," for purposes of this application, shall be defined to include Broome, Tioga, Chenango, Delaware, Cortland and Tompkins counties. The implementation of this policy will best advance the economic interests of the residents of Broome County.



President of Affordable Senior Housing Opportunities of New York, Inc.

Notary

Sworn to before me this 18<sup>th</sup> day of Nov., 20 10.

Julie Koch  
(Seal)

**JULIE KOCH**  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires Nov. 23, 2013