

## PROJECT EVALUATION and COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Vecino Group New York, LLC/The Quarry Potsdam, LLC, Project #4001-20-02**

Project Types and Evaluation Criteria: The Agency, in its discretion, shall evaluate each project type below based on the totality of applicable factors, taking into account the total economic impact, and no one factor may be determinative. In any case where a project may be categorized by more than one type listed below, the evaluative criteria for each applicable project type should be applied to the applicable component of the project.

- 1) Manufacturing/Warehousing/Distribution Projects
- 2) Agricultural/Food Processing Projects
- 3) Adaptive Reuse/Community Development Projects
- 4) Tourism Projects
- 5) Other Retail Projects
- 6) Back Office/Data or Call Center Projects
- 7) Energy Production Projects
- 8) Affordable Housing Projects
- 9) Senior Housing Projects
- 10) Market Rate Housing Projects
- 11) Other Projects

### Adaptive Reuse/Community Development Projects

- The information provided in the Cost Benefit Analysis;
- The capital investment being made by the applicant;
- The impact, if any, from local labor construction for the project;
- Increased property value of the project site;
- Increased revenue, if any, to local taxing jurisdiction;
- Distressed census tracts;
- Age of structure, designation as historic site;
- Elimination of slum or blight;
- Vacancy of sight;
- LEED/Renewable resources;
- Alignment with local planning and development efforts;
- Site has delinquent taxes;
- Project/developer's return on investment;
- Impediments to conventionally finance project.

### Affordable Housing Projects

- The information provided in the Cost Benefit Analysis;
- The impact, if any, from local labor construction for the project;
- The number of residents at or below median income for community;
- Market/Feasibility study;
- Distressed census tract;
- Alignment with local planning and development efforts;
- Located in areas that have inadequate affordable housing supply;
- Urban or town center location;
- Local official(s) support;
- Project/developer's return on investment;
- Impediments to conventionally financed project.

Quarry Potsdam, LLC was formed, an affiliate of the Applicant, for the purpose of undertaking a certain project (the “Project”) consisting of (A) the acquisition of a leasehold interest in approximately 3.3 acres of land located at 41 Elm Street, Village of Potsdam, together with a three story building, containing approximately 88,572 square feet, known as Clarkson's Old Snell Hall; (B) the renovation, equipping and modernization of the Existing Improvements, including, but not limited to, construction of 58 affordable housing units and one superintendent unit, fitness room, community room with communal kitchen, library area, indoor bike storage, laundry facility, office space, art studios, gallery and exhibition hall, improvements and upgrades to mechanical, life/safety and energy systems, accessibility, façade and amenities, and related improvements.

Old Snell Hall, located on Clarkson's downtown campus, is largely vacant and has been for many years. The building is on the National Register of Historic places. From the SUNY Potsdam Historical Library website (<https://www.potsdam.edu/about/college-history/historical-resources>):

When the State decided to establish a Normal School in this area, Potsdam was chosen as the site because of the fine record the St. Lawrence Academy had made in teacher training. The Academy buildings were sold to the state. The first Normal School was built in 1867, and rebuilt in 1917. The building was called Snell Hall and it originally housed the Potsdam Normal School, and was the Potsdam State Teachers College until 1958, when it was given to Clarkson College. It was renamed for U.S. Congressman Bertrand H. Snell



Currently within Old Snell, Clarkson University has a few offices and St Lawrence Arts utilizes limited space, while the theater remains shut off due to mold and other environmental concerns, the remainder of the building is vacant. The adaptive reuse of large, vacant downtown buildings is a challenge for communities not only in St. Lawrence County, but across Upstate New York.

In order to make this project possible, a variety of financing mechanisms are being utilized, including company equity, bank financing, Low-Income Housing Tax Credits, Historic Tax Credits, Housing Trust Fund, Community Investment Fund participation, and New York State financing (see attached “Quarry Funding Sources”).

As part of the project, the Vecino Group will work with Sustainable Comfort, a third-party green building and energy efficiency consulting firm with expertise in multifamily housing. The Quarry will follow the NYSEERDA Multifamily New Construction Program Energy Efficiency Program and the 2015 Enterprise Green Communities Green Building Program. The company has also prepared an action plan (see attached “Procurement Action Plan”) for seeking local subcontractors as well as New York State certified minority and women-owned business enterprises as well as service-disabled veteran owned businesses.

A Comprehensive Market Study for the project was undertaken by GAR Associates, LLC and is attached to the project application. Additional support for the need of improved affordable housing in the region is found in the North Country HOME Consortium (Consortium) 2016-2020 Five Year Action Plan which states “Across the Consortium as a whole there continues to be a significant demand for safe and decent affordable housing especially for the very low income levels.” (<https://www.danc.org/home-consortium>) The Consortium is

comprised of 106 out of 114 Towns and Villages that have entered into cooperative agreements to access and provide affordable housing assistance to low and moderate income households in Jefferson, Lewis & St. Lawrence Counties.

According to a June 2019 report issued by the Office of the New York State Comptroller entitled “**Housing Affordability in New York State**,” *“Housing is generally considered affordable when it consumes less than 30 percent of household income. However, for many New Yorkers housing affordability is elusive, as their monthly costs exceed this threshold – often by significant amounts.”* St. Lawrence County, according to the report, has **45.4%** of rental households with rents about the affordability threshold, compared to 37.8% in the rest of New York State and 30.7% nationally.

The report concludes by highlighting the issues presented by a lack of affordable housing on residents and the economy in general, *“The lack of affordable housing for many New Yorkers, which is driven by economic trends, also impacts the State’s economy in turn. Employers may find it difficult to attract and retain well qualified workers if those individuals are unable to afford the homes they would like. Housing affordability also affects the amount of income that households have available for other nondiscretionary and discretionary spending, as well as for investments in savings or businesses. As significant numbers of households face housing costs above the affordability threshold, the consequences may include reduced potential for economic growth as well as troubling impacts on New Yorkers’ quality of life.”*

The revitalization of Old Snell Hall was highlighted in the Village of Potsdam’s recent Downtown Revitalization Initiative Application to New York State. This successful DRI application, which was selected as one of ten \$10 million award winners across New York, states, *“Also in the mix is Old Snell Hall which recently received a \$5.6 million allocation of federal Low-Income Housing Tax Credit from the Low-Income Housing Trust Fund Corporation to be used for the adaptive re-use of the former academic building as a mixed-use residential/commercial project.”* The renovation of the theater in Old Snell Hall is included in Potsdam’s DRI nomination proposal.

The Village of Potsdam’s 2012-2022 Comprehensive Plan, the guiding document for Potsdam's land-use decision-making and a broad policy document on a number of topics including economic development, includes the following statements and recommendations:

The Village can influence economic development in three ways:

- Through its land use regulations.
- By providing reliable infrastructure with capacity for new residential and commercial connections.
- Through economic development incentives.

#### *Economic Development Recommendations*

**ED-1** Preserve and enhance the prominent role of the B-1 Central Area Overlay District as the civic and commercial center of the community.

d. The Village Board of Trustees should encourage historic preservation efforts, including the adoption of historic preservation ordinances to protect landmark properties and pursuing funding for preservation and rehabilitation.

e. The Planning and Development Office should encourage retention and expansion of residential uses in and adjacent to downtown.

**ED-4** The Village should work to diversify the economic base of Potsdam to increase non-retail employment opportunities and increase net taxable property value.

c. The Planning and Development Office should continue cooperative efforts with Clarkson University to support redevelopment of downtown campus buildings.

Further evidence of alignment of this project is found within the North Country 2019 Progress Report created by the North Country Regional Economic Development Council, which specifically highlights downtown revitalization and affordable housing projects in the Implementation Agenda section of the Report:

#### PLACEMAKING AND DOWNTOWN REVITALIZATION

To better align with the state's focus on placemaking as an economic driver, in 2019 the North Country Regional Council created a work group specifically devoted to placemaking. Considering the elements critical to placemaking the group developed the goal of "creating attractive communities where people want to live, work, visit and stay." Because placemaking is such a broad category, the initial task was to define the priority issues in this category in the North County. After much input and outreach, the work group identified the initial critical subject areas as housing, downtown revitalization, infrastructure, destination development (tourism) and broadband and cell service. The Council decided it was important to verify that community leaders across the region also identify these as critical issues, so a brief survey was developed.

The 11-question survey was sent to 73 representative community leaders across the seven-county region. Of a total 42 responses, 25, or almost 60 percent were elected officials, the rest were appointed, municipal staff or organizational representatives. All counties were represented in the respondents and 69 percent of the responses were from communities of 10,000 or less.

A significant 93 percent of the survey participants identified housing issues in their communities. Lack of quality, affordable housing stock (62 percent), and vacated/blight homes (55 percent), were the clear two front-runners on the list.

The Report goes on to specifically mentions this project, stating, "*NYS Homes and Community Renewal provided \$5.6 million (including \$2 million in North Country REDC funds) to fund the transformation of Old Snell Hall in downtown Potsdam into a mixed use complex. The underused Clarkson University building will be renovated to include 59 affordable housing units, an incubator for entrepreneurial start-ups and a community theater.*"

## COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Vecino Group New York, LLC/The Quarry Potsdam, LLC**

### Estimated COST of Agency Assistance

#### 1. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax:	7,817,790
Sales and Use Tax Rate	8%
<b>b. Estimated Exemption:</b>	<b>\$ 625,424</b>

#### 2. Mortgage Recording Tax Exemption

a. Projected Amount of Mortgage:	15,000,000
Mortgage Recording Tax Rate	0.75%
<b>b. Estimated Exemption:</b>	<b>\$ 112,500</b>

#### 3. Real Property Tax Exemption

	Property Location	Village of Potsdam
a. Investment in Real Property		14,092,085
b. Pre-project Assessment		5,274,800*
c. Projected Post-project Assessment		6,867,000*
d. Equalization Rate (for reference only)		97%
e. Increase in Assessed Value of Property		1,592,200*
f. Total Applicable Tax Rates per \$1,000		55.82
g. Estimated Taxes over PILOT Period	(RPTL 581-a)	2,267,253
h. PILOT Payments over PILOT Period		2,149,967
<b>i. Net Exemption Amount</b>	<b>(g – h)</b>	<b>\$ 117,286*</b>

#### 4. Interest Exemption [Bond Only]

a. Total Estimated Interest Expense	(Assuming Taxable interest)	
b. Total Estimated Interest Expense	(Assuming Tax Exempt Interest)	
c. Interest Exemption	(a – b)	\$N/A

#### TOTAL ESTIMATED EXEMPTIONS

**\$ 855,210**

Estimated exemptions are based on comparison of proposed project PILOT payments vs. New York State Real Property Tax Law Section 581-a estimated payments for affordable housing projects where at least 20% of the units are rented to tenants who are restricted by income limits. The estimates were based on an analysis of the project financing provided by Newmark Knight Frank, a real estate advisory firm based in New York City. In the absence of 581-a property tax treatment, estimated annual value of the property tax payments without this section of law would be approximately \$383,315.

The PILOT provides a limited financial benefit in comparison to estimated 581-a tax payments. However, the PILOT provides a level of certainty and assists in the securing of long-term financing for the project. Additionally, the 581-a process requires an annual application and reporting process.

The property has a current assessed value of approximately \$5.2 million, but as it is owned by Clarkson University, the taxing jurisdictions receive no property tax payments based on this assessment. In the first five

years of the proposed PILOT, the payments to the local jurisdictions will receive over \$250,000, in the first 10 years the amount will exceed \$500,000 and will total over \$2.1 million over the life of the PILOT.

Additionally, the negotiated PILOT includes as a payment escalator clause where in the event that the total residential income exceeds certain thresholds, the company shall make increased payments.

Due to the unique nature of the proposed project, the proposed PILOT represents a deviation from the standard IDA PILOT as outlined in the St. Lawrence County Industrial Development Agency's Uniform Tax Exemption Policy. Per that Policy, the IDA has sought, and received the consent of the local affected taxing jurisdictions for the proposed PILOT.

### COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Vecino Group New York, LLC/The Quarry Potsdam, LLC**

#### Estimated BENEFIT of Agency Assistance

##### EMPLOYMENT COMPARISON:

Do not include construction jobs relating to the Project.

- Full Time: Permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Jobs	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
<b>Full Time</b>							
Management		\$ 29,000	\$ 11,000	2			2
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
<b>Total</b>		<b>\$ 29,000</b>	<b>\$ 11,000</b>	<b>2</b>			<b>2</b>
<b>Part Time</b>							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
<b>Total</b>		<b>\$</b>	<b>\$</b>				

**ESTIMATED OTHER BENEFITS:**

<input type="checkbox"/>	<b>Sales Tax Revenue (New Product)</b>	This project will result in the manufacturing or selling of a new product, and the estimated amount of annual sales taxes that will be generated on retail sales of the new project is \$ .
<input type="checkbox"/>	<b>Sales Tax Revenue (Existing Product)</b>	This project will result in increased production or sales of an existing product, and the estimated amount of annual sales tax that will be generated on the retail sales of the increased production is \$ .
<input checked="" type="checkbox"/>	<b>Real Property Taxes</b>	The amount of annual real property taxes that will be payable on the project at the end of the PILOT Agreement is <b>\$60,000</b> (utilizing project 581-a calculation)
<input checked="" type="checkbox"/>	<b>Construction Jobs</b>	This project will help generate approximately <b>50</b> construction jobs.
<input checked="" type="checkbox"/>	<b>Community and Regional Benefit</b>	<ul style="list-style-type: none"><li>• <b><i>Revitalization of significant downtown Potsdam property</i></b></li><li>• <b><i>Creation of low-income housing units in downtown core</i></b></li><li>• <b><i>Community redevelopment of theatre space inside building</i></b></li><li>• <b><i>Consent Resolutions provided by Town, Village, and School</i></b></li><li>• <b><i>Support/inclusion in Potsdam DRI application</i></b></li><li>• <b><i>Aligns with Implementation Agency items highlighted in NCREDC 2019 Progress Report</i></b></li></ul>

## Quarry Funding Sources

**Historic Tax Credits:** The Federal Historic Rehabilitation Tax Credit program is an indirect federal subsidy to finance the rehabilitation of historic buildings with a 20% tax credit for qualified expenditures. In NY State, there is a matching tax credit up to \$5 million per project. In the case of The Quarry, this federal and state historic credit equity is \$7.3 million. Historic guidelines on renovations must be followed, compliance here is more during the construction of project than during operation. This equity can pay for any portion of the project. No repayment required.

**Low Income Housing Credit:** \$9.7 million The Low-Income Housing Credit Program provides a dollar-for-dollar reduction in federal tax liability to investors partnering with project sponsors in the development of qualified low-income housing that meets the statutory requirements of Section 42 of the Internal Revenue Code. Some of these requirements include income levels and student status. Along with State Low Income Housing Credits, this is the most compliance driven of the funding methods. Compliance regulatory agreements must be a minimum of 50 years. This funding also mandates certain design requirements, reserve funding requirements and unit adaptability requirements. This funding must go to residential portion of the project, typically goes to units at or below 60% AMI. No repayment required.

**State Low Income Housing Credit:** \$1.1 million Same regulations and traits as Low-Income Housing Credit above. This funding must go to residential portion of the project, but typically pays for units above 60% AMI. No repayment required.

**Housing Trust Fund:** \$2.4 million HTF typically comes with a 30-year compliance period, due to LIHC's 50-year compliance, HTC follows this 50-year period as well. This is funding provided by HCR for rehabilitation of a vacant, underutilized or occupied residential property affordable to households that earn up to 90% of AMI and that may advance one or more of the State Housing Goals. These goals include redevelopment of stat-owned and municipally owned sites, developments that meet critical needs in their communities such as integrated supportive housing, housing opportunity projects, community redevelopment and revitalization, and developments specifically supported by the REDC. This HTF funding goes solely to pay for the residential portion of the project. Minimum repayment at 1% interest only, with full loan payoff by end of compliance period.

**Community Investment Fund:** \$2 million This funding supports retail, commercial or community facility components of mixed-use affordable housing development in urban and rural communities statewide. This funding must go solely to the non-residential component. Minimum repayment at 1% interest only, with full loan payoff by end of compliance period.

**Upstate Revitalization Initiative:** \$2 million In 2015, Governor Cuomo created the URI competition to strategically focus on the economic development of Upstate NY, as part of long-term, regionally based plans for economic growth through the state's 10 REDCs. This funding typically goes to projects that attract other investments and enhance communities. The URI funding must go solely to the non-residential portion of this project. Repayment TBD.





## **Procurement Action Plan:**

As a National Construction Company, Vecino Construction LLC understands the challenge of attracting local subcontractors to work on our projects. That's why we have created a culture that promotes the inclusion of as many local subcontractors in each project team as possible. Keeping true to our mission statement *Housing for the greater good*, we believe the housing we build is better when it's built by the people who will live there and their neighbors. The Action Plan we have developed below will help ensure we achieve these goals and delivery our mission statement through the construction Procurement process.

### Before Permit and Bidding Due Date

- a. Targeted Local Public Solicitations. Run solicitations 60 days ahead of bid due date in local forms to include print newspapers, local social media platforms and notify local labor unions of project.
- b. Post project notification on NYS MWBE outreach directories to ensure equal opportunity fairness for all minority, women owned, and service-disabled veteran businesses as well as local businesses.

### 30 days Before Mobilization and Contract Procurement

- a. Hold Local Subcontractor, worker outreach gathering in neighborhood where project will be constructed with the goal of raising awareness in local community to get local subcontractor support for bidding work packages
- b. Post project on public bid forms such as Dodge, Construction journal, Bid Net, Bid Clerk, and Construction Wire.
- c. Re-post project on NYS MWBE outreach directories
- d. Hold Local MWBE outreach event in neighborhood where project will be construction to promote the project to local minority, women owned, and service-disabled veteran businesses.

### During Construction

- a. Hold Pre bid walkthrough event for interested local subcontractors focusing on available scopes of work.
- b. Post signage on property for how local labor can apply to work on the project
- c. Re-post local bid solicitations
- d. Re-post NYS MWBE outreach directory solicitations.

## PROJECT AGREEMENT

Project # 4001-20-02

THIS PROJECT AGREEMENT (hereinafter, the "Agreement"), made as of February 28, 2020, by and between the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a New York public benefit corporation, with offices at 19 Commerce Lane, Suite 1, Canton, New York 13617 (the "Agency"), and **THE QUARRY POTSDAM, LLC**, a New York limited liability company having a principal office at 305 W. Commercial Street, Springfield, Missouri 65803 (the "Company").

### WITNESSETH:

WHEREAS, the Agency was created by Chapter 132 of the Laws of 1971 of the State of New York (the "State"), as amended, codified as Section 914 of the General Municipal Law of the State ("GML"), pursuant to Title 1 of Article 18-A of the GML, as amended (collectively, the "Act"); and

WHEREAS, the Company has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project"), and

WHEREAS, by Resolution #IDA 20-02-01, adopted on February 21, 2020 (the "Resolution"), the Agency has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance (collectively, as applicable, based upon the Resolution, which may include a sales and use tax exemption benefit, mortgage recording tax benefit, and partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolution and as more particularly described in the project documents (collectively, as applicable, the Company Lease Agreement, the Leaseback Agreement and PILOT Agreement, the Agency Compliance Agreement and related documents (collectively, the "Project Documents")) that the Company provide assurances with respect to the terms and conditions herein set forth; and

WHEREAS, this Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by the parties hereof as follows:

### ARTICLE I – REPRESENTATIONS AND WARRANTIES

Section 1.1 Agency. The Agency does hereby restate and incorporate herein by reference its representations, warranties and covenants contained in the Project Documents as if the same were fully set forth herein.

Section 1.2 Company. The Company does hereby restate and incorporate herein by reference its representations, warranties and covenants contained in the Project Documents as if the same were fully set forth herein.

## ARTICLE II – FINANCIAL ASSISTANCE COVENANTS

Section 2.1 Financial Assistance. The Resolutions approved by the SLCIDA authorized the Financial Assistance to the Company and determined employment retention and/or creation minimum levels based, in part, on the Company-certified information regarding employment and general operations of the Company that the Company provided in the Application. In reliance on the certifications provided by the Company in the Application, the SLCIDA agrees to provide the Company with the following Financial Assistance related to the Project:

(1) Sales and Use Tax Exemptions:	\$625,424.00
(2) Mortgage Recording Tax Exemption:	\$112,500.00
(3) Real Property Tax Exemption:	\$117,286.00
(4) Bond Issuance	N/A

Section 2.1.1 Sales Tax Exemption. SCLIDA hereby authorizes the Company, subject to the terms and conditions of this Project Agreement, to act as its agent in connection with the Project for the purpose of effecting the purchase and the lease of certain equipment and materials necessary for the completion of the Project, in that such purchases and leases are exempt from the imposition of Sales and Use Taxes.

Section 2.2 Purpose of Project. It is understood and agreed by the parties hereto that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to, and that the Agency is entering into the Project Documents in order to, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project facility to advance job opportunities, health, general prosperity and economic welfare of the people of St. Lawrence County and to otherwise accomplish the public purpose of the Act.

Section 2.3 Application. The Company represents and warrants that the information contained in the Application regarding (a) the number of Full Time Equivalent jobs ("FTEs"), by category, to be retained and created as a result of the Financial Assistance authorized in the **PROJECT AUTHORIZING RESOLUTION** and (b) the salary and fringe benefit averages and/or ranges for the categories of FTEs to be retained and created is accurate.

Section 2.4 Certification and Documentation. The Company shall provide to the Agency the following certified statements and documentations:

- (a) on an annual basis (i) enumerating the FTEs retained and created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and created that was provided in the Application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit A contains the form of annual certification as so required as discussed above as well as additional Project assessment information that the

Agency requires, on an annual basis no later than January 31 of each year, to be submitted to the Agency by the Company; and

- (b) on a quarterly basis, a form NYS-45 as of the last payroll for each fiscal quarter, and, for all contract employees, a report containing the number of contract employees delivered at the same time as the form NYS-45.

Section 2.5 Recapture Agreement. The parties hereto understand and agree that Exhibit B to this Agreement contains a copy of the Recapture Agreement entered into, by and between the Company and the Agency, which provides for the suspension or discontinuance of Financial Assistance, or for the modification of the PILOT Agreement, if any, to require increased payments, in accordance with policies developed by the Agency. Additionally, the Recapture Agreement provides for the return of all or part of the Financial Assistance provided for the Project, including all or part of the amount of any tax exemptions, which shall be redistributed to the appropriate affected tax jurisdiction, as provided for in policies developed by the Agency, unless agreed to otherwise by any local taxing jurisdiction or jurisdictions.

Section 2.6 PILOT Agreement. If applicable, the parties hereto understand and agree that Exhibit C to this Agreement contains a copy of the PILOT Agreement entered into by and between the Company and the Agency.

Section 2.7 Employment Listing. To list new employment opportunities created as a result of the Project with the following entities (hereinafter, the "OET Entities"): (1) the New York State Department of Labor Community Services Division and (2) the St. Lawrence County One Stop Career Center, the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)).

Section 2.8 Employment Consideration. Except as otherwise provided by collective bargaining agreement, the Company agrees, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the OET Entities.

Section 2.9 Contingent Nature. Notwithstanding the provisions of this Agreement, the Agency and the Company agree that the amount of Financial Assistance to be received by the Company with respect to the Project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of the Project in delivering the promised public benefits, as outlined in the Application.

Section 2.10 Compliance. Under penalty of perjury, the Company certifies that it is in substantial compliance with all local, state, and federal tax, worker protection and environmental laws, rules and regulations.

### ARTICLE III – MISCELLANEOUS

Section 3.1 Term. This Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the execution and delivery of this Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Agreement shall continue to remain in effect until the termination or expiration of all Financial Assistance, as provided for in the Project Documents.

Section 3.2 Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Agreement to the Agency regardless of any investigation made by the Agency.

Section 3.3 Notices. All notices, certificates and other communications under this Agreement shall be in writing and shall be deemed given when delivered pursuant to the terms of the Project Documents.

Section 3.4 Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 3.4 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Agreement or any part thereof.

Section 3.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

Section 3.6 Section Headings. The headings of the several Sections in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Agreement.

*[Signature Page to follow]*

*[Signature Page to Project Agreement]*

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

02/24/2020  
Dated

**ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_

Name: Patrick J. Kelly  
Title: Chief Executive Officer

**THE QUARRY POTSDAM, LLC**

\_\_\_\_\_  
Dated

By: The Quarry Potsdam Manager, LLC  
its Manager

By: \_\_\_\_\_

Kim Buche, Authorized Representative

*[Signature Page to Project Agreement]*

IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

**ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

\_\_\_\_\_  
Dated

By: \_\_\_\_\_

Name: Patrick J. Kelly

Title: Chief Executive Officer

**THE QUARRY POTSDAM, LLC**

February 24, 2020  
Dated

By: The Quarry Potsdam Manager, LLC  
its Manager

By: \_\_\_\_\_

Kim Buche, Authorized Representative

## RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT, made and entered into as of February 28, 2020 (this “Recapture Agreement”), is from THE QUARRY POTSDAM, LLC, a New York limited liability company having a principal office at 305 W. Commercial Street, Springfield, Missouri 65803 (the “Company”), to ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a New York public benefit corporation having its principal office at 19 Commerce Lane, Suite 1, Canton, New York 13617 (the “Agency”).

### WITNESSETH:

WHEREAS, the Agency was created by Chapter 132 of the Laws of 1971 of the State of New York (the “State”), as amended, codified as Section 914 of the General Municipal Law of the State (“GML”), pursuant to Title 1 of Article 18-A of the GML, as amended (collectively, the “Act”); and

WHEREAS, the Company has submitted an application (the “Application”) to the Agency requesting the Agency’s assistance with respect to a certain project (the “Project”) as described in the Project Documents (as hereinafter defined); and

WHEREAS, by Resolution No. IDA-20-02-01, adopted on February 21, 2020 (the “Resolution”), the Agency has conferred on the Company in connection with the Project certain benefits, exemptions and other financial assistance, which may include a sales and use tax exemption benefit, mortgage recording tax benefit, and partial abatement from real property taxes benefit, (collectively, as applicable, hereinafter referred to as the “Financial Assistance”); and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolution and as more particularly described in the project documents (collectively, as applicable, the Company Lease Agreement, the Leaseback Agreement and PILOT Agreement, the Agency Compliance Agreement and related documents (collectively, the “Project Documents”), that the Company provide assurances with respect to the recapture of certain benefits granted under the Project Documents on the terms herein set forth.

### ARTICLE I –RECAPTURE EVENTS

Section 1.1     Recapture Events.     The term “Recapture Event” shall mean any of the following events:

(a)     A default by the Company under the Project Documents (other than as described in Section 1.2), which remains uncured beyond any applicable notice and/or grace period, if any, provided thereunder; or

(b)     The Facility shall cease to be a “project” within the meaning of the Act, as in effect on the Closing Date through the act or omission of the Company; or

(c)     The sale of the Facility (excluding any sale provided for in Project Documents) or closure of the Facility and/or departure of the Company from St. Lawrence County, except as due to casualty, condemnation or force majeure as provided below; or



(d) Failure of the Company to create or cause to be maintained the number of full time equivalent (“FTE”) jobs at the Facility as provided for in the Resolution (other than as described in Section 1.2 below); or

(e) Any significant deviations from the information and data provided to the Agency in the Application which would constitute a significant diminution of the Company’s activities in, or commitment to, St. Lawrence County, New York; or

(f) The Company receives Sales Tax Savings in connection with the acquisition, construction and equipping of the Facility in excess of the Maximum Sales Tax Savings Amount; provided, however, that the foregoing shall constitute a Recapture Event with respect to the Sales Tax Savings in excess of the Maximum Sales Tax Savings Amount only. It is further provided that failure to repay the Sales Tax Savings within thirty (30) days after notice of same is given by the Agency or other governmental authority shall constitute a Recapture Event with respect to all Recapture Benefits.

Section 1.2 Events Not Constituting Recapture Events. The following events shall not be deemed Recapture Events hereunder:

(a) a “force majeure” event (as more particularly defined in the Project Documents);

(b) a taking or condemnation by governmental authority of all or part of the Facility; or

(c) the inability or failure of the Company after the Facility shall have been destroyed or damaged in whole or in part (such occurrence a “Loss Event”) to rebuild, repair, restore or replace the Facility to substantially its condition prior to such Loss Event, which inability or failure shall have arisen in good faith on the part of the Company or any of its affiliates so long as the Company or any of its affiliates have diligently and in good faith using commercially reasonable efforts pursued the rebuilding, repair, restoration or replacement of the Facility or part thereof;

(d) at the sole discretion of the Agency, the failure of the Company to maintain the number of FTE jobs as provided for in the Resolution, which failure is the result of:

(i) loss of major sales, revenues, distribution or other adverse business developments resulting from local, national or international economic conditions, trade issues or industry wide conditions, or such similar events, excluding events relating to management of the Company or the subtenants of the Company; or

(ii) subleasing of the Facility, wherein the Company may not actually provide the FTEs at the Facility, but rather shall sublease the Facility to various tenants, and that the Company’s obligation with regard to creating or causing to be maintained FTEs includes (a) using all reasonable efforts to lease up the Facility, and (b) including provisions in all subleases requiring any tenants to comply with the provisions of the Project Documents applicable to them; or

(iii) expiration or termination of a sublease agreement and the Company is able to find a new tenant for the Facility (a “Replacement Tenant”) that provides the FTE jobs at the Facility before the expiration of the next full Tax Year after the termination of the Sublease Agreement;

provided, however, any Replacement Tenant shall be required to comply with the terms of the Project Documents.

Section 1.3 Limited Recapture Event with Limited Recapture. If a Recapture Event has occurred due solely to the failure of the Company to create or cause to be maintained the number of FTEs at the Facility as provided in the Resolution in any Tax Year but the Company has created or caused to be maintained at least 50% of FTEs for such Tax Year, then, in such event, in lieu of recovering the Recaptured Benefits provided herein, the Agency may, in its sole discretion, adjust the payments due under the PILOT Agreement, if any, on a pro rata basis so that the amount payable under the PILOT Agreement, if any, will be adjusted upward retroactively for such Tax Year by the same percentage as the percentage of FTEs that are below the required FTE level for such Tax Year. Such adjustments to the payments due under the PILOT Agreement may be made each Tax Year until such time as the Company has complied with the required number of FTEs pursuant to the Resolution.

Section 1.4 Notice Periods. The Company covenants and agrees to furnish the Agency with written notification (i) within sixty (60) days of the end of each Tax Year of the number of FTEs located at the Facility for such Tax Year, and (ii) within thirty (30) days of actual notice of any facts or circumstances which would likely lead to a Recapture Event or constitute a Recapture Event hereunder. The Agency shall notify the Company of the occurrence of a Recapture Event hereunder, which notification shall set forth the terms of such Recapture Event.

## ARTICLE II –RECAPTURE OF AGENCY BENEFITS

Section 2.1 Recaptured Benefits. The term “Recaptured Benefits” 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 Documents including, but not limited to, the amount equal to:

(a) the amount of 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 Company (the “Mortgage Recording Tax Exemption”); and

(b) Sales Tax Exemption savings realized by or for the benefit of the Company, including savings realized by any Agent pursuant to the Project Documents and each Sales Tax Agent Authorization Letter issued in connection with the Facility (the “Sales Tax Savings”); and

(c) the savings realized by the real property tax abatements granted under the Project Documents (the “Real Property Tax Abatements”).

Section 2.2 Receipt of Recaptured Benefits. Upon the occurrence of a Recapture Event hereunder and the declaration of a Recapture Event by notice from the Agency to the Company, then the Recaptured Benefits shall be payable directly to the Agency or the State of New York if so directed by the Agency; provided, however that, for purposes of clarity, the amount of the Recaptured Benefits payable upon a Recapture Event shall be as set forth in Section 2.3 below. Upon the receipt by the Agency of any amount of Recaptured Benefits due to a Recapture Event, the Agency shall redistribute such amount within thirty (30) days of such receipt to the Taxing Entity that would have received such amount but for the granting by the Agency of the Financial Assistance.

Section 2.3 Calculation of Recaptured Benefits. It is understood and agreed by the parties hereto that the Agency is entering into the Project Documents in order to provide Financial Assistance to the Company for the Facility and to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

<u>Occurrence of Recapture Event</u>	<u>Percentage of the Recaptured Benefits</u>
Year 1 to Year 2	100%
Year 3 to Year 5	75%
Year 6 to Year 7	50%
Year 8 to Year 10	25%
Year 11 and thereafter	0%

Section 2.4 Late Payments. In the event any payment owing by the Company under this Section shall not be paid on demand by the Agency, such payment shall bear interest from the date of such demand at a rate equal to one percent (1%) plus the Prime Rate, but in no event at a rate higher than the maximum lawful prevailing rate, until the Company shall have made such payment in full, together with such accrued interest to the date of payment, to the Agency (except as otherwise specified above).

Section 2.5 Expenses. The Agency shall be entitled to deduct all reasonable out of pocket expenses of the Agency, including without limitation, reasonable legal fees, incurred with the recovery of all amounts due under this Recapture Agreement, from amounts received by the Agency pursuant to this Recapture Agreement.

### ARTICLE III – MISCELLANEOUS

Section 3.1 Obligations Unconditional. The obligations and liabilities of the Company under this Recapture Agreement shall be absolute and unconditional obligations and liabilities of the Company, and shall remain in full force and effect until the Project Documents have expired or been terminated, except the obligations under Article II hereof shall survive the conveyance of the Facility to the Company and the termination of the Project Documents. Additionally, such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, whether or not with notice to or the consent of the Company.

Section 3.2 Condition to Reconveyance of Facility. The parties hereto agree that the Agency shall have no obligation to surrender its leasehold interest in the Facility to the Company pursuant to the Project Documents until all payments to the Agency and St. Lawrence County under the Project Documents and hereunder have been paid in full. If such payments are not paid in full by the Company within sixty (60) days of the date when due and owing, then the Agency shall offer its interest in the Facility for sale pursuant to the Agency's Real Property Disposition Policy adopted pursuant to the Public Authorities Accountability Act, as amended.

Section 3.3     Reserved.

Section 3.4     Terms Defined. All of the capitalized terms used in this Recapture Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Project Documents.

Section 3.5     Directly or Indirectly. Where any provision in this Recapture Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 3.6     Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Recapture Agreement to the Agency regardless of any investigation made by the Agency.

Section 3.7     Binding Effect. This Recapture Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. Notwithstanding the foregoing, in no event shall any lender to the Company, whether or not such lender (or any designee or assignee of lender) becomes the lessee of the Project, have any obligation upon the occurrence of any Recapture Event during the time, or as a result of, the Company being the lessee of the Project to pay any Recaptured Benefits to the Agency or any other party and such obligation with respect to any Recaptured Benefits shall remain solely the obligation of the Company.

Section 3.8     Notices. All notices, certificates and other communications under this Agreement shall be in writing and shall be deemed given when delivered pursuant to terms of the Project Documents.

Section 3.9     Entire Understanding; Counterparts. This Recapture Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.10    Amendments. No amendment, change, modification, alteration or termination of this Recapture Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 3.11    Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Recapture Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Recapture Agreement or any part thereof.

Section 3.12    Governing Law. This Recapture Agreement shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.

Section 3.13    Section Headings. The headings of the several Sections in this Recapture Agreement have been prepared for convenience of reference only and shall not control, or affect the meaning of or be taken as an interpretation of any provision of this Recapture Agreement.

Section 3.14    Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions

of the Recapture Agreement or any matters whatsoever arising out of or in any way connected with the Recapture Agreement.

*[Signature Page to Follow]*

*[Signature Page to Recapture Agreement]*

IN WITNESS WHEREOF, the Company has caused this Recapture Agreement to be duly executed and delivered as of the day and year first above written.

02/24/2020  
Dated

**ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: [Redacted Signature]  
Name: Patrick J. Kelly  
Title: Chief Executive Officer

**THE QUARRY POTSDAM, LLC**

\_\_\_\_\_  
Dated

By: The Quarry Potsdam Manager, LLC  
its Manager

By: \_\_\_\_\_  
Kim Buche, Authorized Representative

*[Signature Page to Recapture Agreement]*

IN WITNESS WHEREOF, the Company has caused this Recapture Agreement to be duly executed and delivered as of the day and year first above written.

**ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

\_\_\_\_\_  
Dated

By: \_\_\_\_\_

Name: Patrick J. Kelly

Title: Chief Executive Officer

February 24, 2020  
Dated

**THE QUARRY POTSDAM, LLC**

By: The Quarry Potsdam Manager, LLC  
its Manager

By: \_\_\_\_\_

Kim Buche, Authorized Representative

Project: 4001-20-02

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

THE QUARRY POTSDAM, LLC

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PAYMENT IN LIEU OF TAX AGREEMENT

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THE QUARRY POTSDAM, LLC PROJECT NUMBER 4001-20-02  
TAX ID# 64.059-10-1

Dated as of February 28, 2020

Affected Tax Jurisdictions:  
St. Lawrence County  
Village of Potsdam  
Town of Potsdam  
Potsdam Central School District



Project: 4001-20-02  
**PAYMENT IN LIEU OF TAX AGREEMENT**

THIS PAYMENT IN LIEU OF TAX AGREEMENT (the "Agreement"), dated as of February 28, 2020, by and between **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with its offices located at 19 Commerce Lane, Suite 1, Canton, St. Lawrence County, New York 13617 (the "SLCIDA") and **THE QUARRY POTSDAM, LLC**, a New York limited liability company having a principal office at 305 W. Commercial Street, Springfield, Missouri 65803 (the "Company").

W I T N E S S E T H :

WHEREAS, the SLCIDA was created by Chapter 358 of the Laws of 1971 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has submitted an application (the "Application") to the SLCIDA requesting the SLCIDA's assistance with respect to a certain project (the "Project") consisting of (A) the acquisition of a leasehold interest in approximately 3.148 acres of land located at 41 Elm Street, Village of Potsdam, Town of Potsdam, St. Lawrence County, State of New York (the "Land") from Clarkson University, together with a three story building, containing approximately 88,572 square feet, known as Old Snell Hall (collectively, the "Existing Improvements"); (B) the renovation, equipping and modernization of the Existing Improvements, including, but not limited to, construction of 58 affordable housing units and one superintendent unit, fitness room, community room with communal kitchen, library area, indoor bike storage, laundry facility, office space, approximately 21,513 square feet of art studios, gallery and exhibition hall space, improvements and upgrades to mechanical, life/safety and energy systems, accessibility, façade and amenities, and related improvements (collectively, the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment, fixtures, furniture and other incidental tangible personal property (collectively, the "Equipment", and together with the Land, the Existing Improvements and the Improvements, the "Facility" or "Leased Premises"); and

WHEREAS, in order to induce the Company to acquire, renovate, construct and equip the Facility, the SLCIDA is willing to take a leasehold interest in the land, improvements and personal property constituting the Facility and lease said land, improvements and personal property back to the Company pursuant to the terms and conditions of a certain Lease Agreement to be dated on or about the date hereof (the "Lease Agreement" or "Lease" or Leaseback"); and

WHEREAS, pursuant to Section 874(1) of the Act, the SLCIDA is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the SLCIDA and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the SLCIDA for the benefit of the County of St. Lawrence (the "County"), the Village of Potsdam (the "Village"), the Town

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of Potsdam (the "Town"), and the Potsdam Central School District (hereinafter the "School District" or "School" and, collectively with the County, the Village, the Town, the "Affected Tax Jurisdictions").

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment in lieu of Ad Valorem Taxes:

1.1 (A.) Subject to the completion and filing by the taxable status date (March 1, 2020) (the "Taxable Status Date") of New York State Form RP-412-a Application For Real Property Tax Exemption (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act, the Facility shall be exempt from Real Estate Taxes commencing with the 2020 Final Roll which will be effective for the tax year 2021. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the Affected Tax Jurisdictions. The Company shall provide the SLCIDA with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Lease Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the SLCIDA, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the SLCIDA, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the SLCIDA, and releases the SLCIDA from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the SLCIDA to file the Exemption Application with the appropriate assessors by the Taxable Status Date.

(B.) Payee. As long as the Facility is owned or leased by the SLCIDA and leased by the Company from the SLCIDA, or under the SLCIDA's jurisdiction, control or supervision, the Company agrees to pay annually to the Affected Taxing Jurisdictions as a payment in lieu of taxes as each becomes due for the applicable Affected Taxing Jurisdictions' taxes (collectively, the "Payment Dates"), commencing on the Closing Date, and continuing through the Termination Date. Said total payment amount equal to the Total PILOT Payment, which is outlined in Schedule A attached hereto.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.2 Allocation. The SLCIDA shall remit to the Affected Tax Jurisdictions amounts received hereunder, if any, within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the SLCIDA's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total PILOT Payment among the Affected Tax Jurisdictions, the SLCIDA shall use the last tax rate utilized for levy of taxes

by each such jurisdiction. For County, Village, Town, and special district purposes, the tax rates used to determine the allocation of the Total PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT payment due date. For School District purposes, the tax rates used to determine the PILOT payment shall be the rate relating to the school year which includes the PILOT payment due date.

1.4 Valuation of Future Additions to the Facility: If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement, the Company shall notify the SLCIDA of such future addition ("Future Addition"). The notice to the SLCIDA shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the SLCIDA may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total PILOT Payment. The SLCIDA shall notify the Company of any proposed increase in the Total PILOT Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the SLCIDA, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the SLCIDA, the Company shall pay the increased PILOT payment until a different Total PILOT Payment shall be established. If a lesser Total Annual Payment is determined in any proceeding or by subsequent agreement of the parties, the Total PILOT Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the SLCIDA's sole discretion, such excess payment shall be applied as a credit against the next succeeding PILOT payment(s).

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to commence with the 2020 Final Roll as detailed in Schedule A attached hereto. This PILOT Agreement shall expire on the Termination Date. This PILOT Agreement shall also expire on the termination of either the Lease and/or the Lease/Back agreement for the Land and the Facility between the parties. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the Facility while this Agreement is in effect which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b and 485-e of the New York Real Property Tax Law ("RPTL"). This restriction shall not apply during the year prior to the Termination Date for applications submitted by the Company for any exemption that would commence after the Termination Date. It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

## Section II - Special District Charges, Special Assessments and other charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to any fire district charges or "curb charges"), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

## Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the SLCIDA to the Company (the lease/leaseback agreements are terminated), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I herein, or this Agreement terminates and the Facility is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

#### Section IV - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility, with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Agreement, as if and to the same extent as if the Company were the owner of the Facility.

4.3 The Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

#### Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

#### Section VI - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any events of default under the Lease Agreement after the expiration of any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the SLCIDA and/or the Affected Tax Jurisdictions may have at law or in equity, the SLCIDA and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the SLCIDA with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The SLCIDA and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify

the SLCIDA of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date defined in Section 6.1 herein, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

#### Section VII - Assignment.

7.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the SLCIDA, which shall not be unreasonably withheld or delayed; provided, however, that in the event the holder of any mortgage acquires the Facility by deed-in-lieu, foreclosure, or otherwise, this Agreement and the rights and obligations hereunder shall, at the option of such mortgagee, be assigned to it or its designee. Any such assignment shall be conditioned on the assumption of the obligations hereunder by such mortgagee or its designee.

#### Section VIII - Miscellaneous.

8.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the SLCIDA:

St. Lawrence County Industrial Development Agency  
19 Commerce Lane, Suite 1  
Canton, New York 13617  
Attention: Chief Executive Officer

To SLCIDA Counsel:

Underberg & Kessler LLP  
300 Bausch & Lomb Place  
Rochester, New York 14604  
Attention: Edmund J. Russell III, Esq.

To the COMPANY:

The Quarry Potsdam, LLC  
c/o Vecino Bond Group, LLC  
305 W. Commercial Street  
Springfield, Missouri 65803  
Attention: Kim Buche

Project: 4001-20-02

To COMPANY Counsel:

Cannon Heyman & Weiss, LLP  
54 State Street, 5<sup>th</sup> Floor  
Albany, New York 12207  
Attention: Michael A. Greco, Esq.

With a Copy To:

Spencer Fane, LLP  
2144 E. Republic Road, Suite B300  
Springfield, Missouri 65804  
Attention: Shawn Whitney, Esq.

BF Quarry Potsdam, LLC  
c/o Boston Financial Investment Management, LP  
101 Arch Street, 13<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Attention: Asset Management Department – The Quarry

Holland & Knight LLP  
10 St. James Avenue, 12<sup>th</sup> Floor  
Boston, Massachusetts 02116  
Attention: Dayna M. Hutchins, Esq.

Citibank, N.A.  
388 Greenwich Street  
New York, New York 10013  
Attention: General Counsel's Office

-and-

Sidley Austin LLP  
787 Seventh Avenue  
New York, New York 10019  
Attention: Aviva Yakren, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

8.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in St. Lawrence County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the SLCIDA hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the SLCIDA by the Company. Neither member of the SLCIDA nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due

Project: 4001-20-02

hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the SLCIDA, or of any successor or political subdivision, either directly or through the SLCIDA or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

8.5 Cure by Lender. SLCIDA agrees to provide the Company's investor or lender with written notice of any default hereunder. Any cure made or tendered by the Company's investor or lender under this Agreement or the other Project Documents shall be accepted or rejected on the same basis as if such cure was made or tendered by the Borrower and, to the extent accepted, shall be deemed to be a cure by the Borrower hereunder.

8.6 Notwithstanding anything to the contrary in this Agreement or any documents referenced in this Agreement (collectively, the "IDA Documents") to the contrary, in the event that any portion of the 21,513 square foot art studios, gallery and exhibition hall space in the Facility is leased or subleased by the Company, affiliate of the Company or Clarkson University to an entity that is not a tax exempt entity under federal law, such lease shall not be a default under the IDA Documents and shall not result in a termination of the IDA Documents, but shall only require payment of such increases in PILOT payments for such non-exempt uses as is reasonably determined by the taxing jurisdictions. The Company agrees to provide written notice of said use to the SLCIDA and the taxing jurisdictions. Total PILOT Payments shall be adjusted to reflect the inclusion of nonexempt usage, and any prior invoices that covered any period where there was nonexempt usage shall be revised to include payments for such nonexempt usage.

*[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF, the SLCIDA and the Company have caused this Agreement to be executed in their respective names, all as of the date first above written.

THE QUARRY POTSDAM, LLC

ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: The Quarry Potsdam Manager, LLC,  
its Manager

BY:

Kim Buche  
Authorized Representative

BY:

Patrick J. Kelly  
Chief Executive Officer

STATE OF MISSOURI )  
 )SS.:  
COUNTY OF GREENE )

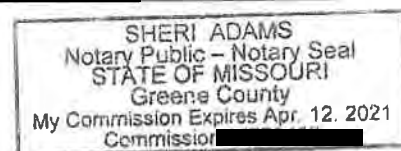
On the 24<sup>th</sup> day of February, 2020, before me, personally appeared **Kim Buche**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK )  
 )SS.:  
COUNTY OF ST. LAWRENCE )

On the \_\_\_\_ day of February, 2020, before me, personally appeared **Patrick J. Kelly**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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DEVELOPMENT AGENCY

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its Manager

BY: \_\_\_\_\_

Kim Buche  
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BY: \_\_\_\_\_

Patrick J. Kelly  
Chief Executive Officer

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\_\_\_\_\_  
Notary Public

Lori A. Sibley  
Notary Public, State of New York  
No. \_\_\_\_\_  
Qualified in St. Lawrence County  
Commission Expires September 30, 2021

Project: 4001-20-02

**SCHEDULE A**

The subject properties are identified as TAX ID# 65.059-10-1

The St. Lawrence County Industrial Development Agency will bill the amounts listed on the table below to the respective taxing authority based upon the pro rata share for the current tax year.

Taxable Status Date: March 1, 2020  
Tax Year Beginning: School District 2020/2021  
Town and County 2021  
Village 2021

YEAR	SCHOOL	VILLAGE/TOWN/COUNTY	PAYMENT
2020	2019/2020	2020	Regular Taxes
1	2020/2021	2021	\$119,774.01
2	2021/2022	2022	0
3	2022/2023	2023	\$50,000
4	2023/2024	2024	\$51,000
5	2024/2025	2025	\$52,020
6	2025/2026	2026	\$53,060
7	2026/2027	2027	\$54,122
8	2027/2028	2028	\$55,204
9	2028/2029	2029	\$56,308
10	2029/2030	2030	\$57,434
11	2030/2031	2031	\$58,583
12	2031/2032	2032	\$59,755
13	2032/2033	2033	\$60,950
14	2033/2034	2034	\$62,169
15	2034/2035	2035	\$63,412
16	2035/2036	2036	\$64,680
17	2036/2037	2037	\$65,974
18	2037/2038	2038	\$67,293
19	2038/2039	2039	\$68,639
20	2039/2040	2040	\$70,012
21	2040/2041	2041	\$71,412
22	2041/2042	2042	\$72,841
23	2042/2043	2043	\$74,297
24	2043/2044	2044	\$75,783
25	2044/2045	2045	\$77,299
26	2045/2046	2046	\$78,845
27	2046/2047	2047	\$80,422
28	2047/2048	2048	\$82,030
29	2048/2049	2049	\$83,671
30	2049/2050	2050	\$85,344
31	2050/2051	2051	\$87,051
32	2051/2052	2052	\$88,792

Amounts due under the PILOT

**A. Year 1**

The Company shall pay to each impacted taxing jurisdiction the amount billed by the jurisdiction to the Company as interim tax liabilities under Section 520 of the NYS Real Property Tax Law

**B. Years 2 through 32**

The Company shall pay to the Agency for distribution to the impacted taxing jurisdictions the total amount due under I and II below:

**I. Scheduled Payments**

	Amount due under A above
1	
2	\$0
3	\$ 50,000
4	\$ 51,000
5	\$ 52,020
6	\$ 53,060
7	\$ 54,122
8	\$ 55,204
9	\$ 56,308
10	\$ 57,434
11	\$ 58,583
12	\$ 59,755
13	\$ 60,950
14	\$ 62,169
15	\$ 63,412
16	\$ 64,680
17	\$ 65,974
18	\$ 67,293
19	\$ 68,639
20	\$ 70,012
21	\$ 71,412
22	\$ 72,841
23	\$ 74,297
24	\$ 75,783
25	\$ 77,299
26	\$ 78,845
27	\$ 80,422
28	\$ 82,030
29	\$ 83,671
30	\$ 85,344
31	\$ 87,051
32	\$ 88,792

Project: 4001-20-02

- II. In the event that the Total Residential Income exceeds by more than ten percent (10%) the amounts projected Total Residential Income as set forth below, then the Company shall pay to the Agency twenty percent (20%) of the amount of the Total Residential Income in excess of the amounts set forth in the schedule below.

Projected Total Residential Income

Year

1	480,506
2	490,116
3	499,918
4	509,917
5	520,115
6	530,517
7	541,128
8	551,950
9	562,989
10	574,249
11	585,734
12	597,449
13	609,398
14	621,585
15	634,017
16	646,698
17	659,631
18	672,824
19	686,281
20	700,006

Project: 4001-20-02

21	714,006
22	728,286
23	742,852
24	757,709
25	772,863
26	788,321
27	804,087
28	820,169
29	836,572
30	853,304
31	870,370
32	887,777



# St. Lawrence County Industrial Development Agency

## Application for Assistance (revised 12/2018)

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the USDA, Director, Office of Civil Rights, Washington, D.C. 20250.

### INSTRUCTIONS

1. The Agency will not take action on any application unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Please answer all questions using "None" or "Not Applicable" where the question is not appropriate to the project which is the subject of this application ("the Project"). If more space is needed to answer a question, please attach a separate sheet.
3. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
4. The applicant will be required to pay the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. If applicable, the costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered a part of the project and included as a part of the resultant bond issue.
5. The Agency has established a project fee for each type of project in which the Agency participates. Unless the Agency agrees in writing to the contrary, this project fee is required to be paid by the applicant at or prior to the granting of any financing assistance by the Agency.

### FEE SCHEDULE

The forms of assistance listed below have a fee of 1% of the total bond series or project cost benefited by the Agency assistance, as applicable. A non-refundable fee of \$2,000 is payable to the SLCIDA at the time the application is submitted which will be credited toward the total fee at closing. If you are applying for multiple types of assistance only one fee of \$2,000 is due.

- ☐ Tax Exempt Industrial Revenue Bonds – Complete Appendix A & B
- ☒ Payment in Lieu of Taxes (PILOT) – Complete Appendix B
- ☒ Mortgage Recording Tax Exemption – Complete Appendix B
- ☒ Sales and Use Tax Exemption – Complete Appendix B

### Applicant/Company Information

Applicant Name: **Vecino Group New York, LLC**  
Address: **305 W Commercial**  
City/State/Zip: **Springfield, MO**  
Telephone: **[REDACTED]**  
Alternate Phone: **n/a**

Federal ID#: **[REDACTED]**  
Contact Name: **Rick Manzardo**  
Contact Title: **President**  
Contact Email: **[REDACTED]**  
Cell: **[REDACTED]**  
Fax: **n/a**

Will the proposed project be located within the municipality of the applicant's current operations? ☐ Yes ☒ No ☐ N/A

### FORM OF ENTITY:

- ☐ Privately Held Corporation
  - ☐ Public Corporation (Listed as \_\_\_\_\_ on \_\_\_\_\_ Exchange)
  - ☒ Limited Liability Company
  - ☐ Partnership: ☐ General ☐ Limited
  - ☐ Other: \_\_\_\_\_
- Number of Partners: \_\_\_\_\_ General \_\_\_\_\_ Limited

If the entity is a Corporation, Limited Liability Company or Partnership:

Date Established: **7/2/2013**

Place of Organization: **Missouri**

SIC Code: **655200**

If the entity is currently located outside New York State, is it authorized to do business in New York State? ☒ Yes ☐ No  
☐ N/A

Principal Officers:

Name	Title
<b>Rick Manzardo</b>	<b>President</b>
<b>Matt Miller</b>	<b>CEO</b>
<b>Kevin Wagner</b>	<b>COO</b>
<b>Kody Redwing</b>	<b>CFO</b>

Principal Owners with 10% or more in equity holdings with a percentage ownership:

Name	Percentage
<b>Rick Manzardo</b>	<b>42.5%</b>
<b>Matt Miller</b>	<b>42.5%</b>
<b>Kim Buche</b>	<b>15.0%</b>

Is the Company, or are the owners of the Company, involved in any lawsuits which could have a financial impact on the Company? ☐ Yes ☒ No

Has the Company, or any of its owners, ever been involved in bankruptcy? ☐ Yes ☒ No

Are the owners of the Company citizens of the United States? ☒ Yes ☐ No

Has the Applicant (or any related company) been involved in any prior financing, whether by this Agency, or by a financial institution, in the county in which this project is located? ☐ Yes ☒ No

If yes, please explain:

Bank References:

**Tricia Yarger, CITI Community Capital**  
**Mike Skrebutenas, Community Preservation Corp.**  
**Milly Deane, Citizen's Bank**

Major Trade References:

**Classic Environmental, Tom Perrault**  
**Altek Plumbing and Heating, Ryan O'Connor**  
**Villnave Construction Services, Gregg Villnave,**

Legal Counsel: **Cannon Heyman and Weiss**  
Contact: **Geoff Cannon**  
Address: **54 State Street, 5<sup>th</sup> Floor**  
City/State/Zip: **Albany, NY 12207**  
Telephone: **[REDACTED]**  
Contact Email: **[REDACTED]**

Are there any concerns that may be regarded as parent companies, subsidiaries, or affiliates of the Company, including concerns in which the Company or any of its principals holds an interest greater than 5%? ☒ Yes ☐ No

If yes, please provide a list of names and addresses of all concerns. Attach additional pages as needed.

Name: **Vecino Group, LLC**  
Address: **305 W Commercial**  
City/State/Zip: **Springfield, MO 65803**  
Nature of Relationship: **Affiliate, Vecino Group New York and Vecino Group have 2 owners in common**

For assistance please contact St. Lawrence County Industrial Development Agency at (315) 379-9806/TDD Number: 711





## Business History

Provide a brief history of the Company including changes in ownership operations, overview of operating performance, location and size of current operations, products and/or services, major accounts, principal competitors, and major events affecting sales and/or expenses:

Vecino Group was formed in 2011 as a Missouri affordable housing developer, since then we have expanded into 12 states, with upstate NY as our largest concentration. Over this time, ownership has remained constant, and will continue to do so. Vecino currently employs 70 people, with seven out of our Troy, NY office. Within NY, affordable projects have been completed or are underway in Troy, Cohoes, Saratoga Springs, Utica and Elmira, with predevelopment work occurring in Ithaca and Syracuse. We are proud of the work done in NY, and happy to provide references on any of these projects. The affordable housing market is a competitive industry, with competitors ranging from small shops to multi-state operations. While competitive, Vecino has had success in this arena. While it is a daunting task for a Missouri developer to break into NY, we deliver the projects we promise, on time and on budget, this has spoken loudly to funding agencies. Upon project completion, we ensure our projects operate and look as they should. In this compliance driven industry, we turn to professionals for property management. We look to the most competent management company in the region to ensure our projects remain as envisioned, and our residents always feel at home. Due to the tax credit compliance measures, Vecino Group will be long term holders, for decades to come. The affordable industry is impacted in the same way as other development industries, through construction costs, financing costs and the general economic outlook. In addition to this, project funding through tax credits is competitive, HCR looks to fund projects with community support.

## Site Information

<p>Project Address: <b>41 Elm Street</b></p> <p>City/State/Zip: <b>Potsdam, NY 13676-1867</b></p> <p>Town: <b>Potsdam</b></p> <p>Village/City: <b>Potsdam</b></p> <p>School District: <b>Potsdam</b></p> <p>Tax Map Parcel: <b>64.059-10-1</b></p>	<p>Note utilities currently on site:</p> <table border="0" style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> Municipal Water</td> <td><input type="checkbox"/> Municipal Sewer</td> </tr> <tr> <td><input checked="" type="checkbox"/> Electric</td> <td><input type="checkbox"/> Telecom</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gas</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Municipal Water	<input type="checkbox"/> Municipal Sewer	<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Telecom	<input checked="" type="checkbox"/> Gas		<input type="checkbox"/> Other:		<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Municipal Water	<input type="checkbox"/> Municipal Sewer										
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Telecom										
<input checked="" type="checkbox"/> Gas											
<input type="checkbox"/> Other:											
<input type="checkbox"/> Other:											

Who is the current legal owner of the proposed site?	<b>Clarkson University</b>
What is the size of the existing facility and site, if applicable?	<b>88,572 sf, 3.3 acres</b>
What is the size of the proposed facility and site?	<b>88,572 sf, 3.3 acres</b>
What is the current zoning of the project site?	<b>Innovation District</b>
Does the project require local planning or permitting approvals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please explain:	<b>Site plan approval needed, project is zoned correctly</b>
Will the project meet zoning regulations after completion?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, explain what zoning changes will be needed:	<b>n/a</b>
Identify any Federal, State or local regulatory agencies or boards that will need to approve your project, or will oversee your operations:	<b>SHPO will review historic modifications, HCR has approved tax credit funding and review construction and funding draws</b>
Will a site plan application need to be filed? If yes, please include a copy, if prepared.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has the company completed the required SEQR application?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
If yes, what is the date of the application?	<b>n/a</b>

## Project Description

### Description of the project: (check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> New construction<br><input type="checkbox"/> Addition to an existing facility<br><input checked="" type="checkbox"/> Renovation and modernization of an existing facility<br><input type="checkbox"/> Acquisition of an existing facility | <input checked="" type="checkbox"/> Purchase of new machinery and equipment<br><input type="checkbox"/> Refinancing of an existing project<br><input checked="" type="checkbox"/> Other: <b>Site control through long-term lease</b><br><input checked="" type="checkbox"/> Other: <b>gut rehab to historic standards</b> |
|--|---|

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

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

What is the proposed commencement date of construction or acquisition of the project? **12/15/2019**

What is the timetable for the project including when the project will be in full use? **18 Month Construction, full use by 07/2021**

Provide a brief description of the Project. Please identify specific uses and activities occurring within the project location. List proposed products to be manufactured and/or services to be rendered and the markets for those goods and services. Include impact on Company in terms of its operations, profitability, marketing, and other significant operating financial factors. Attach additional pages as needed.

Old Snell, located on Clarkson's downtown campus, is largely vacant and has been for many years. Currently within Old Snell, Clarkson University has a few offices and St Lawrence Arts utilizes limited space, while the theater remains shut off due to mold and other environmental concerns, the remainder of the building is vacant.

Upon renovation, the development will go through complete mitigation and rehab to yield 58 compliance driven affordable housing units, plus one superintendent unit. Outside of 8 2BR units, all units will be studios and 1BR units. Due to the smaller unit sizes, this project will have limited impact on Potsdam Central School District numbers or housing authority unit demand, as their units are largely 2BR and above. The residential tenants will be serviced by onsite management and maintenance, and amenities will include a fitness room, community room with communal kitchen, library/lounge area, indoor bike storage and laundry facility. Tax credits projects by nature are compliance driven projects, which are upheld to standards outside of the norm. Vecino Group realizes property management is not our strength, therefore we use third party managers to ensure our tenants qualify to live in the development. Due to the funding on The Quarry, this project will have a 50-year compliance period, in which rents will have maximum annual increases of 2% and tenants will be vetted based on income, student status and other measures prior to residing at the Quarry.

Tenant incomes are a major concern the property manager will regulate. The anticipated rents on the studios range from \$504 to \$641, 1BR units from \$560 to \$691 and 2BR units from \$656 to \$831. In order to qualify, income limits will range from 50% of AMI to 70% of AMI. There are 15 units set for 50% of AMI, 31 units at 60% of AMI and 12 units set at 70% of AMI. AMI is defined as Area Median Income, with 100% AMI being the average income for the area, adjusted based on number of tenants. Based on unit size and mix, it is assumed studios and 1BR units will attract maximum income levels of \$22,900 to \$37,100 and 2BR units will attract maximum income levels of \$26,500 to \$41,720. These figures are based on 1 or 2 tenants occupying a studio or 1BR unit, and 2 or 3 tenants occupying a 2BR unit, while incorporating the 50% to 70% AMI range.

The Low-Income Housing Tax Credit funding, which funded a large portion of this project, has always had student restrictions as part of the eligibility criteria. The basic premise is that a household consisting of full-time students will be ineligible for occupancy at a tax credit property unless it meets one or more of the five exceptions below, which can make allowances for some non-traditional student households.

1. A student receiving assistance under the Title IV of the Social Security Act (TANF)
2. A student who was previously in the foster care program.
3. A student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other Federal, State or local laws.
4. The household is comprised of single parents and their children and such parents are not dependents of another individual other than a parent of such children. In the case of a single parent with children, the legislative history explains that none of the tenants (parent or children) can be a dependent of a third party.

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5. The household contains a married couple entitled to file joint tax returns. In addition to the affordable housing, St Lawrence County Arts Council is anticipated to take 6,903 sf of space consisting of studios for ceramics, crafts and dance, as well as private studios. SLC will also have council offices as well as a gallery and exhibition hall. The Shipley Center for Innovation is slated to take 1,878 sf and Clarkson communal theater holds the remainder of the non- residential space. This would be Vecino Group's first project in the North Country, and probably not its last. We find the first development in a community is the most difficult, and subsequent opportunities and developments typically follow. We do intend to become a fixture in the area, through our hiring and development efforts. Three of our staff members in our Troy, NY office graduated from Clarkson. Vecino even participated in a job fair this February in Potsdam, always on the lookout for quality Vecino Group corporate employees.

Does the Applicant intend to lease or sublease more than 10% (by area or fair market value) of the Project?  
☒ Yes ☐ No

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

If the answer to the previous question is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? \_\_\_\_\_

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

Will the Project be operated by a not-for-profit corporation? ☐ Yes ☐ No

Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? ☐ Yes ☐ No

If yes, please explain: \_\_\_\_\_

For assistance please contact St. Lawrence County Industrial Development Agency at (315) 379-9806/TDD Number: 711

Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? ☐ Yes ☐ No

Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City, Town or Village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? ☐ Yes ☐ No

If yes, please explain: \_\_\_\_\_

Is the proposed project a Franchise? ☐ Yes ☐ No

If Yes, please provide a Franchise Agreement.

Will the Project be located in a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has 1) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of household receiving public assistance, and 2) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year in which the data relates? ☐ Yes ☐ No

If yes, please explain: \_\_\_\_\_

Does the applicant have other facilities or related companies located in New York State, outside of the jurisdiction in which the project will take place? ☒ Yes ☐ No

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

☐ Yes ☒ No

If yes, please explain: \_\_\_\_\_

Are there any current occupants of this proposed site that will have their operations affected (including reduced or discontinued) as a result of this proposed project? ☒ Yes ☐ No

If yes, please explain: **Clarkson University and St. Lawrence Arts currently operate out of the building, they will move back following renovations.**

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

Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? ☒ Yes ☐ No

If yes, please explain: **Building is in poor shape and facing environmental issues. Entirety of building could be shut down and occupants permanently displaced if renovations not completed.**

Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? ☐ Yes ☒ No

If yes, please explain: \_\_\_\_\_

Has the applicant actively sought sites and/or facilities in another state? ☒ Yes ☐ No

If yes, please explain: Vecino Group provides affordable housing in several states.

Does the project involve pollution control or processing primarily for solid waste disposal? ☐ Yes ☒ No

If yes, please describe the type of pollution to be abated, existing methods of abatement, or the proposed method of abatement, construction and equipment to be financed: \_\_\_\_\_

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

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

**ADDITIONAL REQUIREMENTS:** Include the following items as attachments as necessary.

**COMPANY INFORMATION: (Prior to Closing)**

<input type="checkbox"/>	<input type="checkbox"/> N/A	Entity formation documents as appropriate (DBA Certificate, Articles of Incorporation, Bylaws, Certificate of Formation, Operating Agreement, Partnership Agreement)
<input type="checkbox"/>	<input type="checkbox"/> N/A	Copy of Environmental Assessment Forms (Agency will provide assistance as needed)

**FINANCIAL INFORMATION:**

<input type="checkbox"/>	<input type="checkbox"/> N/A	Company profit and loss statements, balance sheets, and capital statements for the last 2 years. If the business is a sole proprietorship, provide copies of the IRS 1040 and Schedule C. If accountant prepared financial statements are available, they should also be provided.
<input type="checkbox"/>	<input type="checkbox"/> N/A	Company Annual Reports (form 10-k) for the two most recent fiscal years
<input type="checkbox"/>	<input type="checkbox"/> N/A	Quarterly reports and current reports since most recent Annual Report, if any

## Project Costs, Sources and Uses of Funding

Estimate the costs necessary for the construction, acquisition, rehabilitation, improvements and equipping of the project.

### Project Costs:

Item/Use of Funds	Amount		
Land Acquisition	65	3.3	Acres
Building Purchase	0	88,572	sf
Construction or Renovation (Materials)	5,781,090		
Construction or Renovation (Labor)	5,781,090		
Site Work	2,529,905		
Machinery & Equipment	270,600		
Furniture & Fixtures	246,100		
Working Capital/Inventory	118,000		
Other:			
<b>Subtotal Project</b>	<b>14,726,850</b>		
Legal Fees (Other than Company's Attorney)	180,000		
Agency's Fee (1% of Bond or Benefited Project Amount)	147,268		
<b>Subtotal Project</b>	<b>15,054,118</b>		

### Sources of Funding:

Source	Amount	Rate	Term	Percentage
Company Equity	300,000	N/A	N/A	N/A
Bank Loan (Community Preservation Corporation)	338,832	6.37	30 Year	
SLCIDA-LDC Loan				
Other: Tax Credit Equity	8,015,286			
Other: URI Funding	2,000,000			
Other: Housing Trust Fund	2,400,000			
Other: Community Investment Fund	2,000,000			
<b>Total</b>	<b>\$15,054,118</b>	<b>%</b>		<b>100%</b>

Please provide a list of all New York State incentives that have been approved, or are pending approval, as part of this project (example: Grants, Tax Credits, etc...)

#### Upstate Revitalization Initiative Funding

Historic Tax Credits

Low Income Housing Credits

Housing Trust Fund

Community Investment Fund

Please identify participating lenders:

Lender: **Community Preservation Corp**  
 Contact Name: **Glenn Lunde**  
 Contact Title: **Vice President, Mortgage officer**  
 Contact Email: [REDACTED]  
 Telephone: [REDACTED]

Lender: **Boston Financial**  
 Contact Name: **Rob Charest**  
 Contact Title: **Senior VP, Originations**  
 Contact Email: [REDACTED]  
 Telephone: [REDACTED]

For assistance please contact St. Lawrence County Industrial Development Agency at (315) 379-9806/TDD Number: 711

## Job Creation

Please complete the following chart for the permanent jobs created by the Project. Enter data as follows:

For purposes of this application, we are providing the following guidelines to help you calculate employment levels:

- Full Time: Any permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

- A: Insert the number of full time and part time jobs that currently exist within your company at the time of application.  
 B: Indicate the average annual wage for each job type listed in A (full time, part time, or other).  
 C: Indicate the average annual Benefit for each job type listed in A (full time, part time, or other).  
 D: Insert the number of jobs to be created during year 1 of the project for each job type (full time, part time, or other).  
 E: Insert the number of jobs to be created during year 2 of the project for each job type (full time, part time, or other).  
 F: Insert the number of jobs to be created during year 3 of the project for each job type (full time, part time, or other).  
 G: The total number of jobs to be created for each job type (full time, part time, or other) will automatically calculate.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Jobs	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
<b>Full Time</b>							
Management		\$ [REDACTED]	\$ [REDACTED]	2			2
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
<b>Total</b>		[REDACTED]	[REDACTED]	2			2
<b>Part Time</b>							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
<b>Total</b>		\$	\$				

If you classified any of the above jobs as "Other", please clarify job type, benefits offered, etc.: \_\_\_\_\_

Of the new jobs to be created, how many of those vacancies do you expect to fill with St. Lawrence County residents? 2

Please list any benefits currently provided to your full/part time employees (e.g. medical, dental, vision or life insurance; retirement program; etc.) Medical, retirement, accommodations for superintendent

Indicate the number of construction jobs that will be created as a direct result of this project: 50

## **Job Creation**

Following construction completion, Vecino Group New York will not have any direct employees in the St. Lawrence County region. While VGNY will have not direct employees, the creation of this development will result in the following jobs, all from unrelated entities.

Property Management – Through the contracted property management firm, there will be a minimum of 2 full time employees hired. The leasing manager is budgeted to earn [REDACTED] annually, plus benefits. The maintenance position is budgeted to earn [REDACTED] annually, plus benefits, plus a 1BR unit at The Quarry free of charge. It is anticipated both will be filled by St. Lawrence County residents. Typical benefits for these positions include medical insurance and a retirement program.

The addition of 59 housing units in Potsdam should lead to new residents in the community, benefitting the overall health of the downtown core. The transformation of a vacant, blighted structure to full time residence for 59 housing units and amenities will add people to the population base downtown. These residents will commute and shop downtown, support local establishments and make downtown a much more livable area.

The renovation of non-residential space should also lead to new jobs for St. Lawrence County residents. The addition of a functioning theater, Shipley Center and permanent home for St. Lawrence County Arts Council will bring jobs with them. Outside of this, these entities will draw and retain St. Lawrence County residents due to the influx of artistic offerings, further solidifying Potsdam's sense of place. These additional residents will further boost the property tax and sales tax receivables.



**RECAPTURE POLICY**

APPROVED JUNE 29, 2016

**Policy:**

It is the policy of the St. Lawrence County Industrial Development Agency (the "SLCIDA") to ensure responsible provision of public benefits to companies for job creation/retention projects. In furtherance of this, SLCIDA wishes to set forth criteria which will assist the SLCIDA in evaluating project performance and determine the appropriateness of recapturing, limiting or terminating a contract with a recipient of IDA benefits.

**Applicability:**

This policy shall apply to all projects which the SLCIDA has authorized.

**Procedure:**

All SLCIDA project applicants are required to submit, on a quarterly basis, a copy of the form NYS-45. The NYS-45 will act as a general indicator of the status of the project's employment performance.

All SLCIDA project applicants are required to submit, on an annual basis and no more than 45 days after the end of the calendar year, a "St. Lawrence County IDA Project Report" documenting the position of the project at the end of the calendar year. The report shall include such information as: jobs projected to be created/retained; estimated salary of jobs to be created/retained; current number of Full Time and Part Time and/or Seasonal jobs; number of construction jobs created through the year; exemptions from taxes and Payment in Lieu of Tax made; and status of bond financing related to the project.

SLCIDA will utilize both of the aforementioned reports, in addition to information compiled throughout the project (site visits; follow-ups; phone/email and general correspondence) to gauge the status of the project in relation to the original commitment of the company as stated in the project application. The project will undergo further review should significant deficiencies be found in any area. SLCIDA will request from project applicants justification for deficiencies/shortfalls, and will compare justifications against industry standards, current market conditions and current economic conditions. Said information will be used by SLCIDA to determine whether the project applicant/project operator did all that it could to meet the obligations outlined in the application and project agreements.

SLCIDA, in its sole discretion and on a case-by-case basis, may determine with respect to a particular project to require the project applicant to agree to the recapture by SLCIDA of the value of any or all exemptions from taxation granted with respect to the project by virtue of the SLCIDA's involvement. Events that SLCIDA may determine will trigger recapture may include, but shall not be limited to, the following:

1. sale or closure of a facility;
2. significant reduction in employment levels;
3. significant change in use of facility;
4. significant change in business activities or project applicant or operator, including a shift of production activity or relocation of operations to a facility outside of SLCIDA's jurisdiction;
5. material non-compliance with or breach of terms of the SLCIDA transaction documents, or of zoning or land use laws or regulations or federal, state, or local environmental laws or regulations;
6. failure to respond to SLCIDA inquiries and/or requests regarding non-compliance with provision of quarterly and/or annual follow-up reporting documents; or
7. failure to respond to SLCIDA inquiries and/or requests concerning any information regarding the project or the project applicant or any project operator.

Upon the occurrence of any of the event triggers listed above, the SLCIDA will send written notice to the project applicant, demanding provision of, or requesting an explanation for failure to provide, information requested by SLCIDA.

Should SLCIDA find that (a) significant deficiencies in the achievement of the economic benefits promised as described in the application and the project agreements have occurred and (2) there appears to be no justification satisfactory to the SLCIDA to explain the deficiencies, the SLCIDA may determine to undertake any enforcement action available to the SLCIDA under the SLCIDA's agreements to seek redress for the deficiencies.

Enforcement action taken by SLCIDA may include, but shall not be limited to:

1. Requesting cure of the deficiency by a final notice letter.
2. Forwarding an event of default notice as described in the project agreements.
3. Notifying the appropriate New York State agencies of the project operator's failure to comply.
4. Terminating any or all of the project agreements.
5. Reducing the value of financial assistance moving forward.
6. Terminating any future financial assistance.
7. Requiring that the value of the all of the financial assistance utilized to date to be repaid in full or in part, with interest.

*All recaptured amounts of Financial Assistance shall be redistributed to the appropriate affected taxing jurisdictions, unless agreed to otherwise by such affected taxing jurisdictions.*

## APPENDIX A – Bond Financing

Please complete this section if you are applying for Bond Financing.

Bond Counsel:

Name of Firm:

Address:

Telephone:

Bond Counsel Contact:

Bond Counsel Contact Email:

If the Company is asking the Agency to issue its qualified small issue private activity bonds (colloquially known as "small issue IDBs"), what is the dollar value of "capital expenditures" (as determined in accordance with the provisions of the Internal Revenue Code) that the Company or any related company or person, has expended/will expend within this County?

Over the last three years.....

During the present year (20 ) .....

First year after project completion.....

Second year after project completion.....

Third year after project completion.....

Has the company made any arrangements for the marketing or purchasing of the bonds? ☐ Yes ☐ No

If yes, please provide information:

What is your total estimated interest expense (assuming taxable interest)?

What is your total estimated interest expense (assuming tax exempt interest rate)?

## APPENDIX B

Please complete this section if you are applying for any of the following:  
 Lease Transaction, Bond Financing • Payment in Lieu of Taxes  
 Mortgage Recording Tax Exemption • or • Sales and Use Tax Exemption.

**MORTGAGE RECORDING TAX EXEMPTION BENEFIT:** Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (Include sum total of construction/permanent/bridge financing): \$18,893,091

Estimated Mortgage Recording Tax Exemption benefit  
 (product of mortgage amount as indicated above multiplied by .0075%): \$141,698

**SALES AND USE TAX:** Gross amount of costs for goods and services that are subject to the 8% State and Local Sales and Use Tax in St. Lawrence County – said amount to benefit from the Agency's Sales and Use Tax exemption benefit.

**ESTIMATED COSTS ELIGIBLE FOR SALES TAX EXEMPTION BENEFIT:**

Construction/Renovation: Materials	5,781,090
Site Work	1,200,000
Non-Manufacturing Equipment	
Furniture & Fixtures	246,100
Machinery & Equipment	270,600
Construction/Renovation: Labor	1,500,000
Other:	
Other:	
<b>Total</b>	<b>8,997,790</b>

Estimated State and Local Sales and Use Tax Benefit (product of .08 multiplied by the total figure above): **\$719,823**

**INFORMATION FOR ESTIMATED REAL PROPERTY TAX EXEMPTION BENEFIT:**

What is the pre-project assessment of the property?	<u>0</u>
What is the estimated post-project assessment?	<u>\$950,000</u>
What is the property tax ID#	<u>64.059-10-1</u>

**ESTIMATED OTHER BENEFITS:**

**Sales Tax Revenue**

If the project will result in the manufacturing or selling of a new product, estimate the amount of annual sales taxes that will be generated on retail sales of the new product. Otherwise, enter "N/A" n/a

If the project will result in increased production or sales of an existing product, estimate the amount of annual sales tax that will be generated on the retail sales of the increased production. Otherwise, enter "N/A". n/a

**Real Property Taxes**

Estimate the amount of annual real property taxes that will be payable on the Project (at the end of the PILOT Agreement, if any). Otherwise, enter "N/A". 150,000

**REAL PROPERTY TAX BENEFIT:** Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit: This is not planned

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT depicted on **Cost/Benefit Analysis** attached.

What other benefits will the Project bring to the community and region?

- ☐ This project will result in the building of a new plant or the expansion of an existing facility.
- ☒ This project will result in the reoccupation of a formerly-vacant building.
- ☒ This project directly contributes to "green" or "environmentally friendly" technology.
- ☐ This project will result in bringing new inventions, licenses or products to market.

☐ This project will result in expansion of infrastructure capacity.

Other: Revitalization of blighted building, providing affordable housing, renovated space for St. Lawrence Arts and Shipley Center, as well as re-opening of Clarkson University Theater.

## REPRESENTATIONS BY THE APPLICANT:

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, new employment opportunities created as a result of the project will be listed with the NYS Department of Labor, Department of Employment Services and with the administrative entity of the local workforce investment area created by the Federal Workforce Investment and Opportunity Act (WIOA) in which the project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreement, where practicable, the Applicant will first consider persons eligible to participate in WIOA programs who shall be referred by those WIA entities for new employment opportunities created as a result of said project.
- C. Annual Sales Tax Filings. In accordance with Section 874(8) of New York General Municipal Law, the Applicant understands and agrees that, if the project receives any financial assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant, and to provide a copy of such filing to the Agency.
- D. Quarterly Employment Reports. The Applicant understands and agrees that, if the project receives any financial assistance from the Agency, the Applicant agrees to file, or cause to be filed with the Agency on a quarterly basis, reports regarding the number of people employed at the project site.
- E. Absence of Conflicts of Interest. The Applicant has received from the Agency a list of all members, officers and employees of the Agency. No member, officer or employer of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this application, except as hereinafter described:
- F. Hold Harmless. The Applicant hereby releases the Agency and its members, directors, officers, servants, agents and employees thereof from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (a) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project, including without limitation the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.
- G. Recapture. The Applicant understands and agrees that the Agency can impose on the Company penalties or sanctions for projects that do not meet performance standards or project goals as outlined on the Agency's Recapture Policy on Page 9 of this Application. Said penalties/sanctions may include the return by the Company of all or part of the benefits received.
- H. Affirmation. The Applicant understands and agrees that the provisions of Section 862(1) of the New York State General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed project:

862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

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.

The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement with the Project.

The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as the information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said Corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the St. Lawrence County Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the attached whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds are ever carried to a successful conclusion. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or Applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not necessarily limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue, the Applicant shall pay to the Agency an administrative fee set by the Agency and not to exceed an amount equal to 1% of the total project cost benefited by the Agency's assistance. The cost incurred by the Agency and paid by the applicant, including bond counsel and Agency general counsel fees, and the administrative fee, may be considered as a cost of the project and included as part of the resultant bond issue. The \$2,000.00 application fee shall be credited toward this amount.

#### CERTIFICATION:

STATE OF NEW YORK Missouri

COUNTY OF Greene ) ss.:

Rick Manzardo, being first duly sworn, deposes and says:

1. That I am the President (Corporate Officer Title) of Vecino Group New York, LLC (Officer of Company Submitting Application) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.



(Signature of Officer)

Subscribed and affirmed to  
me under penalties of perjury

This 23rd day of May, 2019



(Notary Public)

