

1025 OCR LLC and Mazel Productions LLC PILOT Deviation Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 1550 Franklin Avenue, Mineola, Nassau County, New York, on November 16, 2017, at 9:00 a.m. local time.

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

PRESENT:

Timothy Williams	Chairman
John Coumatos	Vice Chairman
Christopher Fusco	Asst. Secretary
Michael Rodin	

NOT PRESENT:

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director
Colleen Pereira	Administrative Director
Nicholas Terzulli	Director of Business Development
Milan K. Tyler, Esq.	Bond/Transaction Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2017-55 was offered by C. Fusco, seconded by J.

Coumatos:

Resolution No. 2017-55

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR 1025 OCR LLC AND MAZEL PRODUCTIONS LLC

WHEREAS, the Nassau County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 1025 OCR LLC and MAZEL PRODUCTIONS LLC, each a limited liability company organized and existing under the laws of the State of New York (together, the "Applicants"), presented an application for financial assistance (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in one or more parcels of land, aggregating approximately 3.35 acres, located at 1025 Old Country Road, 19 and 51 State Street, and 60 Brooklyn Avenue, Westbury, Town of North Hempstead, Nassau County, New York (Section: 11; Block: 79; Lots: 246, 248 and 279 and Section: 11; Block: 80; Lots: 92, 243) (the "Land"), (2) the renovation of the existing approximately 165,395 square foot building on the Land (the "Building"), together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "Equipment"), all of the foregoing for use by the Applicants as a multi-tenant telecommunications, data center and office facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing; (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicants or such

other entity as may be designated by the Applicants and agreed upon by the Agency; and (D) the sublease of the Project Facility by the Applicants (or such other entity as may be designated by the Applicants and agreed upon by the Agency) to one (1) or more tenants designated by the Applicants and agreed upon by the Agency; and

WHEREAS, the Applicants received “financial assistance” with respect to the Project Facility from the Agency, which included exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and

WHEREAS, the Applicants have requested that the Agency provide certain additional financial assistance in the form of an amended exemption or partial exemption from real property taxes (the “New Project”) consisting of: (i) adding to the Land and the Project Facility certain lots to be used for parking associated with the Project Facility (the “New Project Facility”) so that the Land and Project Facility shall be comprised of the following: (Section: 11 Block: 79 Lot: 246 (35 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 248 (43 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 253 (51 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 279 (44 Brooklyn Avenue, Westbury, NY); Section: 11 Block: 80 Lot: 92 (1025 Old Country Road, Westbury, NY); Section: 11 Block: 80 Lot: 243 (67 Bond Street, Westbury, NY); Section: 11 Block: 79 Lot: 242 (25 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 258 (60 Brooklyn Avenue, Westbury, NY); and Section: 11 Block: 79 Lot: 319 (19 State Street, Westbury, NY)) and (ii) resetting the base year PILOT amount as a result of a recently entered into Stipulation of Settlement regarding the assessed value of the Project Facility and the New Project Facility (collectively, the “Additional Financial Assistance”); and

WHEREAS, the requested Additional Financial Assistance constitutes a deviation from the Agency’s Uniform Tax Exemption Policy (the “Tax Exemption Policy”) with respect to payments in lieu of property taxes; and

WHEREAS, pursuant to Section 874(4) of the Act, (A) the Executive Director of the Agency caused a letter dated October 25, 2017 (the “PILOT Deviation Notice Letter”) to be mailed to the chief executive officer of each affected tax jurisdiction, informing said individuals that the Agency would, at its meeting on November 16, 2017 (the “IDA Meeting”), consider a proposed deviation from the Tax Exemption Policy with respect to the payments in lieu of real property taxes to be made pursuant to a payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) the members of the Agency conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received with respect to the proposed deviation from the Tax Exemption Policy; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 874(4) of the Act with respect to the proposed deviation from the Tax Exemption Policy;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Prior to making the determinations set forth in this resolution, the members of the Agency have considered the following factors set forth in the Tax Exemption Policy: (1) the extent to which the New Project would create or retain permanent jobs; (2) the extent to which the New Project would create construction jobs; (3) the estimated value of tax exemptions to be provided with respect to the New Project; (4) the amount of private sector investment generated or likely to be generated by the New Project; (5) the likelihood of the New Project being accomplished in a timely manner; (6) the extent of new revenue that would be provided to affected tax jurisdictions as a result of the New Project; (7) whether affected tax jurisdictions would be reimbursed by the Applicant if the New Project does not fulfill the purposes for which an exemption was provided; (8) the impact of the New Project on existing and proposed businesses and economic development projects in the vicinity; (9) the demonstrated public support for the New Project; (10) the effect of the New Project on the environment; (11) the extent to which the New Project would require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency, medical or fire services; and (12) any other miscellaneous public benefits that might result from the New Project.

Section 2. The Agency hereby determines that the Agency has fully complied with the requirements of Section 874(4) of the Act relating to the proposed deviation from the Tax Exemption Policy.

Section 3. Having reviewed all comments and correspondence received with respect to the proposed deviation from the Agency's uniform tax exemption policy, the Agency hereby approves the proposed deviation from the Tax Exemption Policy as described in the PILOT Deviation Notice Letter (a copy of which is attached hereto as Exhibit A) because the proposed deviation is necessary to induce the Applicant to undertake the New Project and because the PILOT payments would not be lower than the real property tax payments that would otherwise apply with respect to the Land and the existing improvements thereon as of the closing date of the transaction.

Section 4. The Chairman, Vice Chairman, Administrative Director and Executive Director of the Agency are each hereby authorized and directed, acting individually or jointly, to distribute copies of this Resolution to the Applicants and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution. If the Agency hereafter adopts appropriate final approving resolutions with respect to the proposed amended straight-lease transaction with the Applicants (the "Transaction"), the Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed, acting individually or jointly, to cause the Agency to (A) enter into a Payment in Lieu of Taxes Agreement (or an amendment and/or restatement thereof) with the Applicants, providing, among other things, that the Applicant shall make payments in lieu of taxes consistent with the PILOT Deviation Notice Letter, and (B) file an application (or an amended application) for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 5. This Resolution shall take effect immediately, but is subject to and conditioned upon the closing of the Transaction.

ADOPTED: November 16, 2017

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

Timothy Williams	VOTING	Aye
John Coumatos	VOTING	Aye
Christopher Fusco	VOTING	Aye
Michael Rodin	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF NASSAU)

We, the undersigned [~~Vice~~] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 16, 2017 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 16th day of November, 2017.



[Assistant] Secretary



[~~Vice~~] Chairman

EXHIBIT A

PILOT Deviation Notice Letter

See Attached

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
THEODORE ROOSEVELT COUNTY EXECUTIVE & LEGISLATIVE BLDG.
1550 FRANKLIN AVENUE, SUITE 335
MINEOLA, NY 11501
TELEPHONE (516) 571-1945 FAX (516) 571-1076
www.nissaida.org

October 25, 2017

**CERTIFIED MAIL, RETURN
RECEIPT REQUESTED and
FIRST CLASS MAIL**

County Executive Edward P. Mangano
County of Nassau
1550 Franklin Avenue
Mineola, NY 11501

**NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY**

Dear County Executive Edward P. Mangano:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on November 16, 2017 at 9:00 a.m. local time at the offices of the Agency at 1550 Franklin Avenue, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicants (as defined below), for certain "financial assistance" which, if granted, would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payment of real property taxes. The meeting of the Agency will be open to the public.

1025 OCR LLC and MAZEL PRODUCTIONS LLC, each a limited liability company organized and existing under the laws of the State of New York (together, the "Applicants") presented an application to the Agency with regard to a project (the "Project"), consisting of the following: (A)(1) the acquisition of an interest in one or more parcels of land, aggregating approximately 3.35 acres, located at 1025 Old Country Road, 19 and 51 State Street, and 60 Brooklyn Avenue, Westbury, Town of North Hempstead, Nassau County, New York (Section: 11; Block: 79; Lots: 246, 248 and 279 and Section: 11; Block: 80; Lots: 92, 243) (the "Land"), (2) the renovation of the existing approximately 165,395 square foot building on the Land (the "Building"), together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "Equipment"), all of the foregoing for use by the Applicants as a multi-tenant telecommunications, data center and office facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing; (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicants or such other entity as may be designated by the Applicants and

agreed upon by the Agency; and (D) the sublease of the Project Facility by the Applicants (or such other entity as may be designated by the Applicants and agreed upon by the Agency) to one (1) or more tenants designated by the Applicants and agreed upon by the Agency.

The Applicants received "financial assistance" with respect to the Project Facility from the Agency, which included exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance").

The Applicants have requested that the Agency provide certain additional financial assistance in the form of a revised exemption or partial exemption from real property taxes consisting of: (i) adding to the Land and the Project Facility certain lots to be used for parking associated with the existing Project Facility (the "New Project") so that the Land and Project Facility shall be comprised of the following: (Section: 11 Block: 79 Lot: 246 (35 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 248 (43 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 253 (51 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 279 (44 Brooklyn Avenue, Westbury, NY); Section: 11 Block: 80 Lot: 92 (1025 Old Country Road, Westbury, NY); Section: 11 Block: 80 Lot: 243 (67 Bond Street, Westbury, NY); Section: 11 Block: 79 Lot: 242 (25 State Street, Westbury, NY); Section: 11 Block: 79 Lot: 258 (60 Brooklyn Avenue, Westbury, NY); and Section: 11 Block: 79 Lot: 319 (19 State Street, Westbury, NY)) and (ii) resetting the base year PILOT amount as a result of a recently entered into Stipulation of Settlement regarding the assessed value of the Project Facility and the New Project (collectively, the "Additional Financial Assistance").

If approved, the Additional Financial Assistance would result in PILOT payments as set forth on Exhibit A hereto.

The Additional Financial Assistance, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Additional Financial Assistance, if approved by the Agency, is necessary to induce the Applicants to undertake the New Project and that the PILOT payments would not be lower than the real property taxes that should otherwise apply with respect to the Land and the existing improvements thereon as of the Closing Date.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

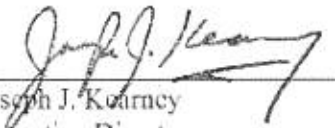
By: 
Joseph J. Kearney
Executive Director

Exhibit A

PILOT Payment Schedule

<u>Term</u>	<u>Tax Year¹</u>	<u>Total PILOT Payment²</u>
1	2018/19 School & Village/2019 General	511,938
2	2019/20 School & Village/2020 General	511,938
3	2020/21 School & Village/2021 General	519,925
4	2021/22 School & Village/2022 General	528,035
5	2022/23 School & Village/2023 General	536,273
6	2023/24 School & Village/2024 General	544,639
7	2024/25 School & Village/2025 General	553,135
8	2025/26 School & Village/2026 General	561,764
9	2026/27 School & Village/2027 General	570,527
10	2027/28 School & Village/2028 General	579,428
11	2028/29 School & Village/2029 General	588,467
12	2029/30 School & Village/2030 General	597,647
13	2030/31 School & Village/2031 General	606,970
14	2031/32 School & Village/2032 General	616,439

¹ Actual PILOT Commencement Date is subject to timely acceptance of the Application by the appropriate tax assessor(s).

² Current taxes of \$511,938.42 increased by 1.56% per year after year 2.