

283 North Franklin Tax 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 at 1550 Franklin Avenue, Mineola, Nassau County, New York, on June 24, 2014, at 5:00 p.m. local time.

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

PRESENT:

Timothy Williams	Chairman
John Coumatos	Vice Chairman
Gary Weiss	Secretary

ABSENT:

Christopher Fusco	Asst. Secretary
Michael Rodin	

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director
Joseph Foarile	Chief Financial Officer
Colleen Pereira	Administrative Director
Nicholas Terzulli	Director of Business Development
Edward Ambrosino, Esq.	General Counsel
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2014-50 was offered by G. Weiss, seconded by J. Coumatos:

Resolution No. 2014-50

RESOLUTION AUTHORIZING A DEVIATION FROM THE UNIFORM
TAX EXEMPTION POLICY OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT
TO A PROJECT FOR 283 NORTH FRANKLIN
REALTY, LLC AND ITS AFFILIATES

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, 283 NORTH FRANKLIN REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (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 a certain parcel of land located at 273-283 North Franklin Street, Incorporated Village of Hempstead, Town of Hempstead, Nassau County, New York (Section: 34; Block: 176; Lots: 1, 4, 7, 8, 14 and 103; Section: 34; Block: 174; Lot: 8) (the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "Building") on the Land, together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "Equipment") necessary for the completion thereof, all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service 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 in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; (C) the lease (with

an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (D) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Applicant proposed that (A) MKJ Realty LLC (“MKJ”), a New York limited liability company and a wholly-owned subsidiary of the Applicant, be the owner of fee title to the portion of the Land commonly known as 273 North Franklin Street, Incorporated Village of Hempstead, Town of Hempstead, Nassau County, New York (Section: 34; Block: 176, Lots: 7, 8 and 14), and (B) Garden City Jeep Chrysler Dodge LLC (“GCJeep” and together with the Applicant and MKJ, the “Companies”), a New York limited liability company and an affiliate of the Applicant, be the sublessee with respect to the Project Facility, and the Agency is prepared to approve such proposals; and

WHEREAS, the Application states that the Applicant is seeking an exemption from real property taxes with respect to the Project Facility that constitutes a deviation from the Agency’s Uniform Tax Exemption Policy (the “Tax Exemption Policy”); and

WHEREAS, pursuant to Section 874(4) of the Act, the Executive Director of the Agency (A) caused a letter dated June 10, 2014 (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 June 24, 2014 (the “IDA Meeting”), consider a proposed deviation from the Tax Exemption Policy with respect to the payment in lieu of taxes agreement to be entered into by the Agency with respect to the Project Facility; and (B) conducted the IDA Meeting on the date hereof and reviewed any comments and correspondence received from the affected tax jurisdictions 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. 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 2. Having reviewed all comments and correspondence received at or prior to the IDA Meeting from the affected tax jurisdictions, 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 Companies to undertake the Project and the real property taxes would not be lower than the real property taxes that would otherwise

apply with respect to the Land and the improvements thereon as of the closing date of the transaction.

Section 3. 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 Applicant 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 straight-lease transaction with the Companies (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 Payment in Lieu of Taxes Agreements with the Companies, providing, among other things, that the applicable Companies shall make payments in lieu of taxes consistent with the formula set forth in the Pilot Deviation Notice Letter, and (B) file an application for real property tax exemption with the appropriate assessor(s) with respect to the Project Facility.

Section 4. This Resolution replaces and supersedes Resolution No. 2014-36 adopted by the members of the Agency on June 5, 2014.

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

ADOPTED: June 24, 2014

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
Gary Weiss	VOTING	Aye
Christopher Fusco	ABSENT	
Michael Rodin	ABSENT	

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (~~Assistant~~) Secretary of Nassau County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on June 24, 2014 with the original and of such resolution set forth therein and of the whole of such original so far as the same relates to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 27~~th~~ day of June, 2014.



[Asst.] Secretary

(SEAL)

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 235
MINEOLA, NY 11501
TELEPHONE (516) 571-1945 FAX (516) 571-1076
www.nassauida.org

June 10, 2014

CERTIFIED MAIL, RETURN
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Dr. Susan Johnson
Superintendent of Schools
Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, NY 11550

RE-NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear Dr. Johnson:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 24, 2014 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (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 with respect to the Project Facility (as defined below). The meeting of the Agency will be open to the public.

283 NORTH FRANKLIN REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (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 a certain parcel of land located at 273-283 North Franklin Street, Incorporated Village of Hempstead, Town of Hempstead, Nassau County, New York (Section: 34; Block: 176; Lots: 1, 4, 7, 8, 14 and 103; Section: 34; Block: 174; Lot: 8) (the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "Building") on the Land, together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "Equipment") necessary for the completion thereof, all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service 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 in the form of

Doc # 05-407434.3

potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (D) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an approximately twelve (12) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows: payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied upon the Project Facility as of the closing date of the Project transaction without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility (the "Base Year PILOT Amount"), which Base Year PILOT Amount would be payable each fiscal tax year for a period of three (3) fiscal tax years without increase, followed by a period of nine (9) fiscal tax years with annual increases of two percent (2%) per year (compounded) each fiscal tax year after the third (3rd) fiscal tax year (i.e., Years 4-12 of the term of the PILOT).

In calculating the Base Year PILOT Amount, the Agency shall take into account the most recent assessment data (i.e., assessed value and tax rates) available as of the closing.

Thereafter, and through the end of the term of the lease or installment sale agreement with respect to the applicable portion of the Project Facility, the payments would be equal to the real property taxes and assessments that would be payable as if such portion of the Project Facility were returned to the tax rolls as taxable property and subject to taxation at its then current, full assessed value, as the same may be reassessed from time to time, and subject to tax rate increases imposed by the affected tax jurisdictions.

The Property Tax Exemption, if approved by the Agency, would constitute a deviation from the Policy.

The reason for the deviation is that the Property Tax Exemption, if approved by the Agency, is necessary to induce the Applicant to undertake the Project in the County of Nassau and that the Base Year PILOT Amount would not be lower than the real property taxes that would otherwise apply with respect to the Project Facility as of the closing.

Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

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June 10, 2014

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Supervisor Kate Murray
Town of Hempstead
1 Washington Street
Hempstead, NY 11550

RE-NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear Supervisor Murray:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 24, 2014 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (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 with respect to the Project Facility (as defined below). The meeting of the Agency will be open to the public.

283 NORTH FRANKLIN REALTY, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Applicant"), presented an application (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 a certain parcel of land located at 273-283 North Franklin Street, Incorporated Village of Hempstead, Town of Hempstead, Nassau County, New York (Section: 34; Block: 176; Lots: 1, 4, 7, 8, 14 and 103; Section: 34; Block: 174; Lot: 8) (the "Land"), (2) the renovation and expansion of the existing buildings (collectively, the "Building") on the Land, together with related improvements to the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment (the "Equipment") necessary for the completion thereof, all of the foregoing for use by the Applicant and/or its affiliates as an automobile sales/service 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 in the form of

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potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (D) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

The Application states that the Applicant is seeking an abatement of real property taxes. However, based upon preliminary negotiations between representatives of the Applicant and the Agency, the parties contemplate that the Agency may agree to grant an approximately twelve (12) year real property tax exemption (the "Property Tax Exemption") with respect to the Project Facility as follows: payments shall be equal to one hundred percent (100%) of the real property taxes and assessments that would be levied upon the Project Facility as of the closing date of the Project transaction without taking into consideration the transfer of ownership, jurisdiction, supervision or control of the Project Facility (the "Base Year PILOT Amount"), which Base Year PILOT Amount would be payable each fiscal tax year for a period of three (3) fiscal tax years without increase, followed by a period of nine (9) fiscal tax years with annual increases of two percent (2%) per year (compounded) each fiscal tax year after the third (3rd) fiscal tax year (i.e., Years 4-12 of the term of the PILOT).

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Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____


Joseph J. Kearney
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
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June 10, 2014

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

RE-NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear County Executive Mangano:

Notice is hereby given that at a meeting of the Nassau County Industrial Development Agency (the "Agency") to be held on June 24, 2014 at 5:00 p.m. local time at the offices of the Agency at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501, the Agency will consider whether to approve the application of the Applicant (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 with respect to the Project Facility (as defined below). The meeting of the Agency will be open to the public.

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potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes; (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and (D) the sublease thereof to the Applicant or such other entity(ies) as may be designated by the Applicant and agreed upon by the Agency.

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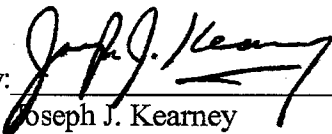
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Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Joseph J. Kearney
Executive Director

EDWARD P. MANGANO
COUNTY EXECUTIVE



JOSEPH J. KEARNEY
EXECUTIVE DIRECTOR

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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June 10, 2014

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Mayor Wayne J. Hall, Sr.
The Incorporated Village of Hempstead
99 Nichols Court
Hempstead, NY 11550

RE-NOTICE OF PROPOSED DEVIATION FROM
UNIFORM TAX EXEMPTION POLICY

Dear Mayor Hall, Sr.:

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Sincerely,

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Joseph J. Kearney
Executive Director