

IMAGINE MONROE

POWERED BY COMIDA

APPLICATION FOR ASSISTANCE

Each applicant seeking assistance must complete this application and provide required supplemental form/documentation. A non-refundable application fee of \$350.00 must be included with this application. Make check payable to COMIDA. Please see page 10 for additional information on costs and fees.

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law, except for information that is considered deniable by the Freedom of Information Law. This form is available at www.growmonroe.org.

I. APPLICANT

A. Name FiveTwentyFive East Broad LLC
Address 75 Thruway Park Drive
City/State/Zip West Henrietta, NY 14586
Tax ID No. 82-2977074
Contact Name Gary T. Izzo
Title Finance Director
Telephone (585) 334-4110
E-Mail gizzo@konarproperties.com

B. Owners of 20% or more of Applicant Company

Name	%	Corporate Title
<u>Konar Family</u>	<u>100</u>	<u>Members</u>

C. Applicant's Legal Counsel

Name Louis D'Amato
Firm Woods Oviatt Gilman LLP
Address 700 Crossroads Bldg, 2 State St
City/State/Zip Rochester, NY 14614
Telephone (585) 987-2823
Fax (585) 987-2923
Email ldamato@woodsoviatt.com

II. PROJECT

A. Address of proposed project facility
See II. E.
Rochester, NY 14607
Tax Map Parcel Number See II. E.
City/Town/Village Rochester
School District Rochester
Current Legal Owner of Property
City of Rochester

B. Proposed User(s)/Tenant(s) of the Facility
If there are multiple Users/Tenants, please attach additional pages.
Company Name Mixed-Use

Address _____
City/State/Zip _____
Tax ID No. _____
Contact Name _____
Title _____
Telephone _____
E-Mail _____

% of facility to be occupied by company _____

C. Owners of 20% or more of User/Tenant Company

Name	%	Corporate Title
_____	_____	_____
_____	_____	_____

D. Benefits Requested (Check all that apply)

- Sales Tax Exemption
 Industrial Revenue Bond Financing
 Mortgage Recording Tax Exemption
 Real Property Tax Abatement

E. Description of project (check all that apply)

- New Construction
- Existing Facility
 - Acquisition
 - Expansion
 - Renovation/Modernization
- Acquisition of machinery/equipment
- Other (specify) _____

GENERAL DESCRIPTION OF THE PROJECT AND BACKGROUND ON USER(S) OF THE FACILITY
(Attached additional sheets as necessary)

We are submitting this application for the second phase of our work on a larger project known as the Neighborhood of Play. The NOP is being undertaken by three partners: The Strong, developer of a new parking garage and museum expansion, Indus Hospitality Group, developer of a new family friendly hotel for visitors to the museum, and Konar Properties, developer of the mixed use portion of the project, approximately 236 rental apartments and townhomes and 18,000 square feet of retail space in total.

Phase one of our project consists of one building on Union Street that is currently under construction. Phase two, scheduled to begin in August 2019, will consist of four additional buildings, including all of the retail space

Phase two consists of an estimated 221,161 square feet of residential space, and 17,829 square feet of retail space. When complete, both phases will create 236 new apartments and townhomes. Phase two contains a limited number of townhomes featuring covered parking and luxury finishes. The apartments will include a variety of studio, one bedroom, and two bedroom units differing in style, finishes, and rent but primarily geared toward the market of people who want to live and work downtown. There is an affordable component to the project. Per our commitment to the City of Rochester, on completion of phases one and two combined, at least 71 units will be affordable to households with incomes at or below 80 percent of Area Median Income (AMI), and at least six units will be affordable to households with incomes at or below 60 percent AMI.

We will hire one full time leasing person and one full time maintenance person to operate Building E. On completion of phase two, we will hire an additional full time leasing employee, a new part time leasing employee, an additional full time maintenance employee, and a new full time housekeeper. We estimate the 18,000 sf of retail will create an additional mix of 30+ full time and part time positions.

The parcels in the City of Rochester to be included in this project are

Buildings A-D:
15 Manhattan Square Drive-SBL #121.33-1-4
47 Savannah Street-SBL #121.33-1-6.1

Building E:
525 East Broad Street (Site 4)-SBL #121.33-1-87.1

A more detailed description of the project and project benefits is attached as Exhibit A.

II. PROJECT (cont'd)

F. Are other facilities or related companies located within New York State?

Yes No

Location

Will the Project 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?

Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

Yes No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry**.

G. Please confirm by checking the box, below, if there is 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 in the space provided below indicating why the Project should be undertaken with the Financial Assistance to be provided by the Agency**.

The project is part of a larger development
being created known as The Strong
Neighborhood of Play. The total
development is considered a major
destination.

**To be completed with Agency assistance.

H. PROJECT TIMELINE

Proposed Date of Acquisition

Proposed Commencement Date of Construction

10/01/2018

Anticipated Completion Date

06/20/2021

I. Contractor(s)

LeCesse Construction Company

J. State Environmental Quality Review (SEQR) Act Compliance

COMIDA, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of Approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

YES - Include a copy of any SEQR documents related to this Project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration, etc.

NO

III. PROPERTY TAX ABATEMENT/PAYMENT IN LIEU OF TAX AGREEMENT (PILOT)

Check One:

JOBSPLUS

Requirements:

- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

LEASEPLUS

Requirements:

- University and/or medical related facilities in which a 501(c)3 entity leases from a for-profit entity.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

ENHANCED JOBSPLUS

Requirements:

- A minimum \$15 million investment in new plant, machinery and equipment or renovation of existing building(s) AND
- A minimum of 100 new jobs from new companies locating in Monroe County, or existing companies expanding operations here.

GREEN JOBSPLUS

Requirements:

- LEED® Certification – Project must be rated as Certified, Gold, Silver or Platinum by the United States Green Building Council's Leadership in Energy and Environmental Design (LEED®) Green Building Rating System.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

SHELTER RENTS

for student housing or affordable housing projects.

Local Tax Jurisdiction Sponsored PILOT

NO PROPERTY TAX ABATEMENT IS SOUGHT FOR THIS PROJECT

IV. APPLICANT PROJECT COSTS

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the APPLICANT.

Building Construction or Renovation

- a. MATERIALS a. \$ 13,138,145
- b. LABOR b. \$ 23,356,702

Site Work

- c. MATERIALS c. \$ 1,100,297
- d. LABOR d. \$ 1,650,446
- e. Non-Manufacturing Equipment e. \$ _____
- f. Furniture and Fixtures f. \$ _____
- g. LAND and/or BUILDING Purchase g. \$ _____
- h. Manufacturing Equipment h. \$ _____
- i. Soft Costs (Legal, Architect, Engineering) i. \$ 1,063,658
- Other (specify) j. Perm & Fees j. \$ 555,818
- k. Ins. & Taxes k. \$ 162,711
- l. Financing l. \$ 1,315,135
- m. _____ m. \$ _____

Total Project Costs \$ 42,342,912

B. Sources of Funds for Project Costs:

- a. Tax-Exempt Industrial Revenue Bond a. \$ _____
- b. Taxable Industrial Revenue Bond b. \$ _____
- c. Tax-Exempt Civic Facility Bond c. \$ _____
- d. Bank Financing d. \$ 25,600,000
- e. Public Sources e. \$ _____

Identify each state and federal grant/credit

- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

f. Equity \$ 16,742,912
TOTAL SOURCES \$ 42,342,912

C. Has the applicant made any arrangements for the financing of this project?

- Yes No

If so, please specify bank, underwriter, etc.

We will initially use equity for Building E. We will apply for financing on the entire project when constructing Buildings A thru D.

IV. COMPLETE FOR EACH USER/TENANT THAT IS SEEKING SALES TAX EXEMPTION USER(S)/TENANT(S) PROJECT COSTS

Use additional sheets as necessary

Company Name _____

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the user(s)/tenant(s) for which a sales tax exemption is requested.

Estimated Costs Eligible for Sales Tax Exemption Benefit

- a. MATERIALS a. \$ _____
- b. LABOR b. \$ _____
- c. Non-Manufacturing Equipment c. \$ _____
- d. Furniture and Fixtures d. \$ _____
- Other (specify) e. _____ e. \$ _____
- f. _____ f. \$ _____
- g. _____ g. \$ _____
- h. _____ h. \$ _____

Total \$ _____ 0

A non-refundable fee of 1/4% on TOTAL(e) above is due and payable upon issuance of a Sales Tax Letter to User(s)/Tenant(s)

 User/Tenant Company

Signature _____, Title _____ Date _____

For Office Use Only	
Total Assessment Value	
Land	Building
Applicant 2602-	19-0260A
User/Tenant 2602-	
RM	

VI. Value of Incentives

Project name: FiveTwentyFive East Broad LLC Bldgs A- D

A. IDA PILOT Benefits:

Current Land Assessment	999,800	Taxes on Land	48,290
Dollar Value of New Construction & Renovation Costs	39,245,590		
Estimated New Assessed Value of Project Subject to IDA	40,245,390		

County Tax rate/\$1,000	10.54
Local Tax Rate* Tax Rate/\$1,000	37.76
School Tax Rate /\$1,000	
Total Tax Rate	<u>48.30</u>

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT Amount	Full Tax Payment w/o PILOT	Net Exemption
1	90%	42,419	151,967	0	194,385	1,992,143	1,749,467
2	90%	42,419	34,621	0	194,385	1,992,143	1,749,467
3	80%	84,837	303,933	0	388,770	1,992,143	1,555,082
4	70%	127,256	455,900	0	583,156	1,992,143	1,360,697
5	60%	169,675	607,866	0	777,541	1,992,143	1,166,311
6	50%	212,093	759,833	0	971,926	1,992,143	971,926
7	40%	254,512	911,800	0	1,166,311	1,992,143	777,541
8	30%	296,930	1,063,766	0	1,360,697	1,992,143	583,156
9	20%	339,349	1,215,733	0	1,555,082	1,992,143	388,770
10	10%	381,768	1,367,699	0	1,749,467	1,992,143	194,385
11	0%	424,186	1,519,666	0	1,943,852	1,992,143	0
Total		<u>2,375,444</u>	<u>8,392,784</u>	<u>0</u>	<u>10,885,573</u>	<u>21,913,569</u>	<u>10,496,803</u>

* Local Tax Rate for Town/City/Village

B. Sales Tax Exemption Benefit:

Estimated value of Sales Tax exemption for facility construction:	<u>1,139,075</u>
Estimated Sales Tax exemption for fixtures and equipment:	<u>0</u>
Estimated duration of Sales Tax exemption:	<u>6/30/2021</u>

C. Mortgage Recording Tax Exemption Benefit:

Estimated Value of Mortgage Recording Tax exemption:	<u>\$192,000</u>
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D. Industrial Revenue Bond Benefit

IRB inducement amount, if required:	<u>\$0</u>
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E. Percentage of Project Costs financed from Public Sector sources:

Total Value of Incentives:	<u>\$11,827,877.62</u>	<u>27.93%</u>
Sources of Funds (Section IV.B.)	<u>\$42,342,912.00</u>	

VII. PROJECTED EMPLOYMENT

Complete for each Applicant or User/Tenant

Company Name: FiveTwentyFive East Broad LLC

Applicant: or User/Tenant:

You must include a copy of the most recent NYS-456 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return OR if you have multiple locations within New York State, the Bureau of Labor – BLS 3020 – Multiple Worksites Report

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0.0	2.0	3.0	5.0
Part Time (PTE)	0.0	0.0	1.0	1.0
Total	0.0	2.0	4.0	6.0

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes: Monroe County, Orleans County, Genesee County, Wyoming County, Livingston County, Ontario County, Wayne County, Yates County, and Seneca County chosen at the Agency's discretion.

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VIII. LOCAL LABOR

To be completed by all Applicants and Users/Tenants of Projects which include the construction of new, expanded or renovated facilities:

Company Name FiveTwentyFive East Broad LLC
Applicant: or User/Tenant:

All project employees of the general contractor, subcontractor, or sub to a subcontractor (contractors) working on the project must reside within the following counties in the State of New York: Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne, Wyoming or Yates. The All-Local Labor criterion will be verified based on employment, payroll and related records.

COMIDA understands that at certain times local labor may not be available within the local area. Under this condition, applicants are required to complete a waiver request of the All-Local Labor requirement prior to beginning construction. Contractors do not have to be local companies as defined herein, but must employ local people to qualify under the All-Local Labor criterion.

The foregoing terms have been read, reviewed and understood by the Applicant or User/Tenant and all appropriate personnel. Furthermore, the undersigned agrees and understands that the information contained herein must be transmitted and conveyed in a timely fashion to all applicable subcontractors, suppliers and materialman. Furthermore, the undersigned agrees to post and maintain a sign, provided by COMIDA, in a prominent, easily accessible location, identifying the project as a recipient of COMIDA assistance and the local labor requirements associated with this assistance.

Furthermore, the undersigned realizes that failure to abide by the terms herein could result in COMIDA revoking all or any portion of benefits it deems reasonable in its sole discretion for any violation hereof.

FiveTwentyFive East Broad LLC/Howard Konar

(APPLICANT or USER/TENANT COMPANY)


Signature
Manager Howard Konar
Date

IX. FEES

1. **Application Fee - Send with Completed Application**

A non-refundable application fee of Three Hundred Fifty Dollars (\$350.00) shall be charged each applicant.

2. **Administrative Fee - Paid at Closing**

- (a) For tax-exempt IRB bond issues, the fee shall be one percent (1%) of the project amount. For projects that utilize a Payment In Lieu of Taxes (PILOT) agreement, an additional one-quarter percent (1/4%) will be added.
- (b) For lease/leaseback transactions and taxable bond issues, the fee shall be one-half percent (1/2%) of the project amount. For projects that utilize a Payment In Lieu of Taxes (PILOT) agreement, an additional one-quarter percent (1/4%) will be added.
- (c) For refunding outstanding COMIDA bond issues, the fee shall be one-quarter percent (1/4%) of the new issuance amount.

3. If a sales tax letter is required prior to closing, a non-refundable twenty-five percent (25%) of the Administrative Fee and Agency Counsel fee is payable at that time. This amount will be applied towards the Administrative fee and Agency Counsel Fee. The Sales Tax Letter shall only be for a three (3) month period. If the project does not have a formal closing within three (3) months of the sales tax letter being issued, and an extension is not granted, the balance of the Administrative fee and Agency Counsel fee become immediately due and payable.

4. Agency Counsel fee is one-third (1/3) of the Agency's Administrative fee, with a minimum fee for a lease/leaseback transaction of \$4,000.00.

5. Designated Bond Counsel fee is based on the complexity and amount of the transaction.

FiveTwentyFive East Broad LLC/Howard Konar

(APPLICANT or USER/TENANT COMPANY)



Signature

Manager

, Title

May 14, 2019

Date

X. CERTIFICATION

The undersigned company officer and/or user/tenant officer each hereby certifies, on behalf of the company and/or user/tenant, respectively (each singularly and together, the "Applicant"), as follows:

- A. The information contained in this Application, including employment information, is true and correct. The Applicant is aware that any material misrepresentation made in this Application constitutes an act of fraud, resulting in revocation of COMIDA benefits.
- B. The undersigned, on behalf of the Applicant, hereby certifies that the Applicant, and all parties which own a minimum of 20% of the Applicant are current and will remain current on all real property, federal, state, sales, income and withholding taxes throughout the term of any agreements made in connection with this Application.
- C. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York 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.

- D. Compliance with Applicable Laws: 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.
- E. False and Misleading Information: 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 the Project.
- F. Recapture: Should the Applicant not expend as projected or hire as presented, the Agency may view such information/status as falling to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- G. Applicant hereby releases the County of Monroe Industrial Development Agency ("Agency") 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, this Application, regardless of whether or not this Application or the Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (B) the Agency's acquisition, construction, renovation and/or equipping of the Project described herein; and (C) any further action taken by the Agency with respect to the Project; including, without limiting 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. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this

