

**Application to**

**Schuyler County Industrial  
Development Agency (SCIDA)**

**For**

**Tax Exempt Bond Financing**

**and/or**

**Straight-Lease Transaction**

**And**

**Fee Schedule**

Please contact the agency for more information regarding project eligibility and application process.

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## Schuyler County Industrial Development Agency (SCIDA)

2 N. Franklin Street  
Watkins Glen, New York 14891

### INSTRUCTIONS

1. The Agency will not approve any applications 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. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer, which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project.
7. 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.
8. The applicant will be required to pay to 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. 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.
9. The Agency has established an application fee of \$3,000.00 to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has established a project fee for each 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 FINANCIAL ASSISTANCE BY THE AGENCY.**

This application should be submitted to the Schuyler County Industrial Development Agency, 2 N. Franklin Street, Watkins Glen, New York 14891 (Attn: Chief Executive Officer).

**Schuyler County Industrial Development Agency (SCIDA)**  
2 N. Franklin Street  
Watkins Glen, New York 14891

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**Taxable and Tax Exempt Industrial Development Revenue Bonds**

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**Application Fee:** A fee of \$3,000.00 is payable to SCIDA at the time the application is submitted. \$2,500 will be credited at closing; \$500 is non-refundable. If this Application is not accepted by the Agency, portions of the \$2,500 deposit may be refunded.

**Fee:** 1.00% of the principal amount of the bond series.

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**Straight-Lease Transactions**

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**Application Fee:** A fee of \$3,000.00 is payable to SCIDA at the time the application is submitted. \$2,500 will be credited at closing; \$500 is non-refundable. If this Application is not accepted by the Agency, portions of the \$2,500 deposit may be refunded.

**Fee:** With a PILOT:  
First \$10 million – 1.00%  
Second \$10-\$20 million - .5%  
Anything greater than \$20 million - .25%

No PILOT – 25% of the abatement value (based on savings from mortgage tax and sales tax).

**Schuyler County Industrial Development Agency (SCIDA) Application for  
Tax Exempt Bond Financing and/or Straight-Lease Transaction**

**I. APPLICANT INFORMATION**

Company Name: Water Works Center, LLC  
 Address: 1803 Castle Garden Rd.  
Vestal, NY 13850  
 Phone No.: (607) 748-8200  
 Fax No.: (607) 748-8204  
 Federal Tax ID: (in process)  
 Contact Person: Bruce Nelson  
 E-Mail: nddevelopment17@gmail.com  
 Date: 3/23/12

a. Form of Entity:

- Corporation  
 Partnership (General \_\_\_ or Limited \_\_\_; Number of General Partners \_\_\_ and, if applicable, Number of Limited Partners \_\_\_, List Partners in section below.  
 Limited Liability Company, Number of Members 1  
 Sole Proprietorship

b. Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office
Bruce Nelson	252 Greenwood Rd., Lisle 13797	100%

(Use attachments if necessary)

c. If a corporation, partnership, limited liability company:

What is the date of establishment? 2012 Place of organization New York

If a foreign organization, is the Applicant authorized to do business in the State of New York?  

(Attach organizational chart or other description if applicant is a subsidiary or otherwise affiliated with another entity)

d. If the applicant entity is a subsidiary of a corporation or another entity, provide all parent information:

Form of Entity:

- Corporation
- Partnership (General \_\_\_ or Limited \_\_\_; Number of General Partners \_\_\_ and, if applicable, Number of Limited Partners \_\_\_, List Partners in section below.
- Limited Liability Company, Number of Members 1
- Sole Proprietorship

Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office

(Use attachments if necessary)

d. Attach certified financial statements for the company's last three complete fiscal years. If the company is publicly held, attach the latest Form 10K as well.

### II. APPLICANT'S COUNSEL

Name/Firm: Pope & Schrader

Address: PO Box 510  
Binghamton, NY 13902

Phone No.: (607) 584-4900

Fax No.: (607) 584-4901

E-Mail: kschrader@psslawfirm.com

### III. PROJECT INFORMATION:

a. Please provide a brief narrative description of the Project (attach additional sheets or documentation as necessary).

Restore existing building for reuse--art gallery and apartments (4)  
with added new construction of 12 townhouse units.  
6 Boat Marina

b. Location of Project

Project Address: 65 Salt Point Rd.  
Town/Village of: Watkins Glen  
Name of School District: Watkins Glen  
Tax Map No.: 64.08-3-67 64.08-3-68

c. Are Utilities on Site? Water: X Electric: X Gas: X Sanitary/Storm Sewer: X Telecom: X

d. Present legal owner of the site if other than Applicant and by what means will the site be acquired for this Project:  
Village of Watkins Glen - \$350,000 purchase

e. Zoning of Project Site:

Current: WFD Proposed: WFD

f. Are any zoning approvals needed? Identify: variances

g. Local Permitting and Approvals – Does the project require local planning or permitting approvals? If so, please explain. attached application will a site plan application to be filed? yes If so, please include copy if prepared.

h. Has another entity been designated lead agent under the State Environmental Quality Review Act ("SEQRA")? yes; If yes, please explain:

Village of Watkins Glen per purchase agreement

Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? no; If yes, please explain:

j. Will the Project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? no; If yes, explain:

k. If the answer to either question i. or j. is yes, indicate whether any of the following apply to the Project:

1. 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 provide detail:

2. 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 provide detail:

Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? yes If yes, please explain:

art gallery planned

m. If the answer to l. 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? 5%

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

1. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_; No \_\_\_. If yes, please explain:  
\_\_\_\_\_
2. 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:  
\_\_\_\_\_
3. 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 \_\_\_. If yes, please explain:  
\_\_\_\_\_
4. 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:  
\_\_\_\_\_
5. Will the Project be located in one of the following: (i) an area designed as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) 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 (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes \_\_\_; No \_\_\_. If yes, please explain:  
\_\_\_\_\_

o. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes x; No \_\_\_. If yes, please complete the following for EACH existing or proposed tenant or subtenant:

Sub lessee name: to be determined 16 Residential, Art Gallery, 6 Boat st.

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sub lessee is a: \_\_\_\_\_ (Corporation, LLC, Partnership, Sole Proprietorship)

Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sub lessee: \_\_\_\_\_

Date and Term of lease or sublease to Sub lessee: \_\_\_\_\_

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes \_\_\_; No \_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions l. 1-5 with respect to such sub lessee.

p. Project Costs (Estimates):

Category	Amount
Land-acquisition	350,000
Buildings-Construction/Renovation	2,550,000
Utilities, roads and appurtenant costs	100,000
Machinery and Equipment	
Soft Costs (Architect and Engineering Fees)	200,000
Costs of Bond issue	
Construction Loan Fees and interest	200,000
Other (specify)	
<b>Total Project Costs</b>	<b>3,400,000</b>

q. Job Creation:

Construction jobs created by the Project: 41 Anticipated Dates of Construction: 4/2012 - 7/2014  
 Permanent jobs created by the Project (30k\* const worker)

- Column A: Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the Project.
- Column B: Indicate the entry level wage for each listed job title either in terms of hourly pay or annual salary.
- Column C: For each listed job title insert the number of positions that exist at the time of application.
- Column D: Insert the number of jobs to be created during year one of the Project for each listed job title.
- Column E: Insert the number of jobs to be created during year two of the Project for each listed job title.
- Column F: Insert the number of jobs to be created during year three of the Project for each listed job title.
- Column G: Indicate the total number of jobs to be created for each listed title as a result of the Project. (Column D + Column E + Column F = Column G)

(A) Job Title	(B) Annual or Hourly Wages	(C) Current Number of Positions	(D) Jobs Created: Year One	(E) Jobs Created: Year Two	(F) Jobs Created: Year Three	(G) Total Jobs Created
Property Manager	22K	0		1		1
Maintenance	30K	0		1		1
Grounds keeper	15K	0		1		1
Artist	?	0		3	3	6
Gallery curator	30k	0		1		1
Live/Work Housing	50-100k	0		3	3	6
<b>TOTALS:</b>	<b>557K</b>	<b>0</b>		<b>10</b>	<b>6</b>	<b>16</b>



**Potential SCIDA Financial Assistance**

- A. Estimated Project Costs eligible for Industrial Development Agency Financial Assistance
  - 1. Sales and Use Tax
    - A. Amount of Project Cost Subject to Sales and Use Tax: \$ 1,250,000
    - Sales and Use Tax Rate: 8.0%
    - B. Estimated Sales Tax (A X .08): \$ 100,557
  - 2. Mortgage Recording Tax Exemption
    - A. Projected Amount of Mortgage: \$ 1,790,000
    - Mortgage Recording Tax Rate: 1.00%
    - B. Estimated Mortgage Recording Tax (A X .01): \$ 17,900
  - 3. Real Property Tax Exemption
    - A. Projected Increase in Assessed Value on Project: \$ TBA
    - B. Total Applicable Tax Rates Per \$1,000: \$
    - C. Estimated Annual Taxes without PILOT (A X B)/1,000: \$
  - 4. Interest Exemption (Bond transactions only)
    - a. Total Estimated Interest Expense Assuming Taxable Interest: \$ N.A.
    - b. Total Estimated Interest Expense Assuming Tax-exempt Interest Rate: \$
- B. Estimated Benefits of Industrial Development Agency Financial Assistance
  - 1. Current Company employment in Schuyler County 0
  - 2. Current Company payroll in Schuyler County \$ 00
  - 3. Project Jobs to be Created over 3 years 57

r. For Industrial Revenue Bonds ONLY, including this project, list capital expenditures of the company at Project location:

Category	Last Three Years	Next Three Years
Land		
Building		
Equipment		
Soft Costs		
Other		
Total		

s. List any other positive impacts that the Project may have on Schuyler County:

Economic development / retail sales / tourism / restaurants /  
cultural (arts) / International marketing exposure

**V. 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 agreements, new employment opportunities created as a result of

the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") 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 agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings:** In accordance with Section 874 (8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the 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.
- D. Annual 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 an annual 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 the members, officers, employees and Counsel of the Agency. No member, officer, employee, or Counsel of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: Kevin Murphy
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### HOLD HARMLESS AGREEMENT AND APPLICATION DISCLAIMER CERTIFICATION PURSUANT TO NEW YORK STATE FREEDOM OF INFORMATION LAW ("FOIL")

Applicant hereby releases the SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "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, 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 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. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, 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 the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Through submission of this Application for Financial Assistance (this "Application"), the Company acknowledges that the Agency, as a public benefit corporation, is subject to the New York State Freedom of Information Law ("FOIL") and Open Meetings Law ("OML"), as codified pursuant to the Public Officers Law ("POL") of the State of New York (the "State"). Accordingly, unless portions hereof are otherwise protected in accordance with this Certification, this Application, including all Company-specific information contained herein, is subject to public disclosure in accordance with applicable provisions of the POL, Article 18-A of the General Municipal Law ("GML") and the Public Authorities Accountability Act of 2005, as codified within the Public Authorities Law ("PAL") of the State. Specifically, this Application may be disclosed by the Agency or any member of the public pursuant to a properly submitted request under FOIL and the Agency is further required to affirmatively disclose certain provisions contained herein pursuant to the GML and PAL, including the identification of the Company, general project description, location proposed capital investment and job estimates.

Notwithstanding the foregoing, the Company, pursuant to this Certification, may formally request that the Agency consider certain information contained within this Application and other applicable supporting materials proprietary information and "trade secrets", as defined within POL Section 87(2)(d). To the extent that any such information should qualify as trade secrets, the Company hereby requests that the Agency redact same in the event that formal disclosure is requested by any party pursuant to FOIL. Application Sections or information requested by Company for Redaction\*:

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(\* - Please indicate specific sections within Application that the Company seeks to qualify as "trade secrets". Additional correspondence or supporting information may be attached hereto. Please also note that notwithstanding the Company's request, the Agency shall make an independent determination of the extent to which any information contained herein may be considered as such)

In the event that the Agency is served with or receives any subpoena, request for production, discovery request, or information request in any forum that calls for the disclosure of the Application, in entirety, specifically including but not limited to any demand or request for production or review of Company-designated trade secrets, the Agency agrees to notify the Company as promptly as is reasonably possible, and to utilize its best efforts to: oppose or decline any such request; preserve the confidentiality and non-disclosure of such requested confidential material; and maintain such information and prevent inadvertent disclosure in responding to any such discovery or information request. The Company understands and agrees that all reasonable costs, including attorney's fees, associated with any such formal undertaking by the Agency to protect the trade secrets from disclosure shall be reimbursed by the Company to the Agency.

The undersigned officer of the applicant deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the Agency and legal counsel for the Agency, whether or not the Application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and 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 Application, regardless of whether or not the Application or the proposed 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 and/or installation of the proposed project described herein and (C) any further action taken by the Agency with respect to the proposed project; including without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

By executing and submitting this Application, the applicant covenants and agrees to pay the following fees to the Agency, the same to be paid at the times indicated:

(a) A fee of \$3,000.00 is payable to SCIDA at the time the application is submitted. \$2,500 will be credited at closing; \$500 is non-refundable. If this Application is not accepted by the Agency, portions of the \$2,500 deposit may be refunded.

(b) An amount equal to 1.00% of the total project costs for projects with bond financing, and an amount reflecting the scaled fee noted on page 3 for Straight-Lease Transactions for all other projects for which the Agency provides financial assistance, to be paid at transaction closing;

(c) An amount determined by Agency Staff payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the tax questionnaire assuming no further activity occurs after the completion of the inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;

(d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;

(e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

(a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;

(d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;

(e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;
- (b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

The applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Company Acknowledgment and Certification:

By: Water Work Center LLC

Name: Bruce Nelson

Title: Member

Sworn to before me this 29 day of March, 2012.

Anne M. Mace  
**ANNE M. MACE**  
 Notary Public - State of New York  
 #01MA6214740 Schuyler County  
 Commission Expires January 10, 2014

# Schuyler County Industrial Development Agency Project Summary and Financial Assistance Cost Benefit Analysis

(This page to be completed by SCIDA Staff)

Company Name: \_\_\_\_\_

Project Description: \_\_\_\_\_  
 \_\_\_\_\_

Project Location: \_\_\_\_\_

Town/Village: \_\_\_\_\_

School District: \_\_\_\_\_

### Estimated Cost of Industrial Development Agency Financial Assistance

1. Sales and Use Tax Exemption
  - A. Amount of Project Cost Subject to Sales and Use Tax: \$
  - Sales and Use Tax Rate: 8.0%
  - B. Estimated Exemption (A X .08): \$
  
2. Mortgage Recording Tax Exemption
  - A. Projected Amount of Mortgage: \$
  - Mortgage Recording Tax Rate: 1.0%
  - B. Estimated Exemption (A X .01): \$
  
3. Real Property Tax Exemption
  - A. Projected Increase in Assessed Value on Project: \$
  - B. Total Applicable Tax Rates Per \$1,000: \$
  - C. Total Annual Taxes without PILOT (A X B)/1,000: \$
  - D. PILOT Exemption Rate (see SCIDA Uniform Tax Exemption Policy): %
  - E. Average Annual PILOT Payment (C X D): \$
  - F. Net Exemption over PILOT term ((C-E) x 7, 10 or 15): \$
  
4. Interest Exemption (Bond transactions only)
  - a. Estimated Interest Expense Assuming Taxable Interest: \$
  - b. Estimated Interest Expense with tax-exempt Interest Rate: \$
  - c. Interest Exemption (a - b): \$

### Estimated Benefits of Industrial Development Agency Financial Assistance

1. Jobs to be retained in Schuyler County
2. Current Company payroll in Schuyler County \$
3. Project Jobs to be Created over 3 years
4. Total Project Investment \$
5. Non IDA financing leveraged \$
6. Other project benefits:

**BRUCE NELSON**

1803 Castle Garden Rd., Vestal, NY 13850  
(607) 748-8200 / 862-3368

*In H. Glen Station  
→ 4 - Apt  
Water Works to be removed  
immediately*

August 23, 2011

Re: SALT POINT PROJECT  
WATKINS GLEN, NY

*Art Gallery  
Add to the S. 12  
Town House style  
units*

To: Mayor Mark Swinnerton

OVERVIEW

This letter is an expression of interest in the development of the Salt Point Road Properties. In broad terms, I propose a project similar to that outlined for the "Magee Point Landing" in Restore New York III. My intention would be to expand the development of this project with added new construction. There would also be greater emphasis on residential dwellings (8 apartments and 10 townhouses) and less on commercial enterprise (ie: no restaurant planned).

*In the H. Glen Station*

- Existing building: new construction to the south instead of building up.
- My plan will still include marinas and waterfront improvements.
- Exception: Municipal water works will remain in its present location.

LIST OF ASSUMPTIONS

- 1) Reassignment of Restore New York Capitol Grant of \$1,190,000 project #W799 to be available for this project.
- 2) PILOT agreement to exempt NY Sales Tax, mortgage taxes and fees and straight-line property tax abatement for 10 years and a ramp-up period of 5 years.
- 3) The project site is to include tax map parcels 67 and 68 (including water front).
- 4) Lease the water works building portion of the project to the Village of Watkins Glen at a no-cost annual lease with the up-front cost equal to that required to purchase the properties.
- 5) Variance: In particular lot coverage and set-back to facilitate development of town house style dwellings.
- 6) No "Prevailing Wage Rate" required.
- 7) ~~Cooperation in~~ design and connection to city sewer system.
- 8) Closing: Purchase, PILOT, Village Lease in November 2011.

Re: SALT POINT PROJECT  
WATKINS GLEN, NY

Page 2

PROJECT COSTS

400,000.	Soft Costs (legal, professional, interest, insurance, etc)
680,000.	Adaptive reuse of existing building
<u>2,400,000.</u>	New townhouse construction (10)
\$3,480,000.	

SOURCE OF FUNDS

500,000.	Developer (250 Cash / 250 unrealized fees)
1,790,000.	Bank Mortgage (see attached Elmira Savings letter of interest)
<u>1,190,000.</u>	Restore New York III
\$3,480,000.	

I would anticipate completion of first residential units in Spring 2013.  
If you have questions related to this information, please give me a call.

Sincerely,

Bruce Nelson

**BRUCE R NELSON**  
1803 CASTLE GARDEN RD 1  
VESTAL NY 13850

739

3/29/12  
Date

29-1310/0213  
083

Pay to the Order of SCIDA

\$ 3,000<sup>00</sup>

Three Thousand & 00/100

Dollars  Security Features Details on Back.

 **Citizens Bank**

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