

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR SALE/LEASEBACK OR BOND TRANSACTION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for tax incentives or other assistance from the Ulster County Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to the acceptance of the Agency.

COVER SHEET

TO: ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
P.O. BOX 4265
KINGSTON, NY 12402-4265

APPLICANT: Landmark Preservation, L.P.
APPLICANT'S STREET ADDRESS: 641 Lexington Avenue 15th Floor, NY, NY 10022
APPLICANT'S MAILING ADDRESS: 641 Lexington Avenue 15th Floor, NY, NY 10022
CITY: New York STATE: NY ZIP: 10022 PHONE: 212-634-6361
FAX: 212-634-6305 EMAIL: EMPLOYER'S ID NO.: 82-2842832
FrancineKellman@KRPreservation.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:
Francine Kellman, Brian Raddock

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Nixon Peabody, LLP
NAME OF ATTORNEY: Stephen Wallace
ATTORNEY'S STREET ADDRESS: 799 9th Street NW Suite 500
ATTORNEY'S MAILING ADDRESS: 799 9th Street NW Suite 500
CITY: Washington, DC STATE: D.C. ZIP: 20001 PHONE: 202-585-8344
FAX: 866-570-0819 EMAIL: SWALLACE@nixonpeabody.com

NOTE: Please read the instructions on page 2 before completing this application.

I. PROPOSED OCCUPANT (HEREINAFTER, THE "COMPANY")

A. Identity of Company:

1. Indicate type of business organization of Company:

a. Corporation.

If so, incorporated in what country? _____

What State? _____

Date Incorporated: _____

Type of Corporation: _____

Authorized to do business in New York? Yes No

b. Partnership. X

If so, indicate type of partnership: Limited Partnership

Number of general partners: One

Number of limited partners: One

c. Limited liability company.

If so, formed in what state? _____

Date formed: _____

Authorized to do business in New York? Yes No

d. Sole proprietorship.

2. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

Yes, Company/Partnership is a direct affiliate of Landmark Preservation, G.P. and Investor Member (TBD). Please see the attached Org Chart.

3. If the Company differs from the Applicant, as stated on Page 1, (e.g. If there will be a real estate holding company and a related operating company or an unrelated tenant company) give details of relationship and contact information if different:

N/A

B. Management of Company:

1. List all owners, members, officers, directors and partners (complete all columns for each person):

Name and Home Address	Office Held	Other Principal Business
Brian Raddock	Manager	N/A
Francine Kellman	Manager	N/A

2. Yes No Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation?
3. Yes No Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)?
4. Yes No Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt?
5. If the answer to any of questions 2 through 4 is yes, please furnish details in a separate attachment.

C. Principal Owners of Company:

1. Yes No Is the Company publicly held?
If yes, please list exchanges where stocks are traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

Name	Address	Percentage of Holding
Francine Kellman	401 1st Ave, NY, NY 10010	50%
Brian Raddock	7, The Brae, Woodbury, NY	50%

- D. Company's principal bank(s) account(s): Wells Fargo Bank, N.A. as Investor and Mortgager.
Citibank, N.A. as Business Checking Account Holder.

II. PROJECT ELEMENTS

- A. Description of the Project. (Please provide a brief narrative description of the Project.)

The Landmark Apartments Project complex are 2 buildings consisting of 196 units of senior, Section 8 housing located at 295 Broadway, Kingston, NY & 1 Albany Avenue, Kingston New York. The project will remain as Section 8 Senior housing. We will be doing renovations and rehabilitation on the structures, common areas, exterior and individual apartment units. This will include and not be limited to: Repair and Installation of new roofs, compactors, flooring, boilers, new windows and facades. New paint, floor refinishes and extensive upgrades to Life/Fire safety systems. Units will be upgraded with new kitchen cabinets, counter tops, and more.

- B. Location of the Project:

1. Street Address: 295 Broadway, Kingston, New York 12401 _____
2. Street Address: 1 Albany Avenue, Kingston, New York 12401 _____
3. City: Kingston _____
4. Town: _____
5. Village of: _____
6. County of: Ulster _____

- C. Description of the Project Site:

1. Approximate size (in acres or square feet) of the Project site: 2 Sites, total of 5 acres

Is a map, survey or sketch of the Project site attached?

Yes, Please see attached Surveys.

2. **Yes** Are there existing buildings on the Project site? a.

If yes, indicate the number of buildings on the site: 2 Buildings

Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such building:

The 1 Albany Avenue Site has 92 units of Senior Housing, and has a building footprint of 25,000 Sq Ft. The 295 Broadway Site has 104 units of Senior housing and a footprint of 12,000 Sq Ft.

- b. **Yes.** Are the existing buildings in operation? If yes, describe the present use of the existing buildings:

Yes, the buildings are currently in operation and provide 196 units of Senior Section 8 Housing.

- c. Yes No Are the existing buildings abandoned? **No.**
- d. Yes No About to be abandoned? **No.**
If yes, describe:

Utilities serving the Project site:

Water – Municipal: Kingston Municipal

Other (describe): _____

Sewer – Municipal: Kingston Municipal

Other (describe): _____

Electric – Utility: Central Hudson

Other (describe): _____

Heat – Utility: Central Hudson

Other (describe): _____

4. Present legal owner of the Project site: **Ver Noy Kill Dev. Co. & Granada Buildings, Inc.**

a. If the Company owns the Project site:

Date of Purchase: N/A

Purchase Price: 17,888,888.89

b. Yes No If the Company does not own the Project site, does the Company have an option signed with the owner to purchase the Project Site?

If yes,

Date option signed with owner: 5/2/17

Date option expires: 1/31/17

c. Yes No If the Company does not own the Project site, is there a relationship legally or by common control between the Company and the present owner of the Project site? **No.**

If yes, describe:

5. Zoning District in which the Project is located:

- a. Yes No Are there any variances or special permits affecting the Project site?

If yes, list below and attach copies of all such variances or special permits:

No.

D. Description of Proposed Construction:

1. Yes No Does part of the Project consist of the acquisition or construction of a new building or buildings?

If yes, indicate number and size of new buildings:

No.

2. Yes No Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site?

If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovations:

Renovations and Rehabilitation only, no change in size or footprint to the existing structures.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

Continued use as Senior, low income Section 8 Housing with a 40 year agreement to maintain the housing as low income.

4. Yes No If the Project involves the construction or reconstruction of any building or other improvement, has construction or reconstruction work on any such building or improvement begun? **No.**

If yes, please discuss in detail the approximate extent of construction or reconstruction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations, installation of footings; etc.:

E. Description of the Equipment:

1. Yes No Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? **Yes.**

If yes, describe the Equipment:

In connection with the project renovations, we will be removing old appliances and replacing kitchen appliances.

2. Yes No With respect to the Equipment to be acquired, will any of the Equipment have been used?

No.

If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

The principal use will be as Kitchen Appliances.

4. Please give the specific status of any equipment acquisition that is already in process:

N/A

F. Project Use

1. What are the principal products to be produced at the Project?

N/A

2. What are the principal activities to be conducted at the Project?

Senior Section 8 Housing

3. Yes No 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 provide detail:

Yes, Rental of Affordable Housing Units.

4. If the answer to question 3 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? 100 %.

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

a. Yes No Will the Project be operated by a notfor-profit corporation?

No.

If yes, please explain:

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

If yes, please explain:

No.

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

If yes, please explain:

No.

d. Yes No Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? If yes, please provide detail:

Yes. The purchase of the property guarantees accessibility of senior affordable housing for the next 40 years. This is in line with initiatives put forth by the community and the state and local government.

- e. Yes No Will the Project be located in one of the following: (i) the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) a census tract or block numbering area (or census tract or block numbering 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?

If yes, please explain:

The sites at 295 Broadway (Census Tract 9517) and 1 Albany Avenue (Census Tract 9524) are located in areas that have an unemployment rate of at least 1.25 times the statewide unemployment rate.

6. Yes No If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

If yes, please explain:

The purchase of the project will preserve all current jobs in the State of New York. 60 Temporary Construction jobs will be generated in connection with the rehabilitation.

7. Yes No Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York?

If yes, please explain:

No.

8. Yes No Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York?

If yes, please explain:

No.

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

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

If yes, please provide detail:

N/A

- b. Yes No 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?

If yes, please provide detail:

N/A

G. Sales and Use Tax Exemption (See also question B.3 in Part VI following):

1. Yes No Do you wish to apply for sales and use tax exemptions on project materials, equipment and furnishing?

Yes.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X.
If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

No work has been done on the property yet.

3. Please indicate the date the applicant estimates the Project will be completed: 12/2018.

III. LEASES OR SUBLEASES

A. Yes No Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? **No.**

If yes, please complete the following for each existing or proposed tenant or subtenant:

The following is N/A

1. Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: Corporation Partnership Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

2. Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: Corporation Partnership Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.
Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

3. Sublessee Name: _____
Present Address: _____
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee Is: Corporation Partnership Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
 Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.
Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

- B. What percentage of space intended to be leased or subleased is now subject to a binding written lease or sublease?

N/A

IV. EMPLOYMENT IMPACT.

A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers in table 1). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

***Total Jobs** – represents total jobs based on a 40 hour work week

****Total FTEs** – represents total full time equivalency based on a 35 hour work week

TYPE OF EMPLOYMENT						
Employees of Applicant						
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time	3			4	7	7
Present Part Time	2				2	1
Present Seasonal						
First Year Full Time	3			4	7	7
First Year Part Time	2				2	1
First Year Seasonal						
Second Year Full Time	3			4	7	7
Second Year Part Time	2				2	1
Second Year Seasonal						
Third Year Full Time	3			4	7	7
Third Year Part Time	2				2	1
Third Year Seasonal						

TYPE OF EMPLOYMENT

Independent Contractors

	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time						
Present Part Time						
Present Seasonal						
First Year Full Time						
First Year Part Time						
First Year Seasonal						
Second Year Full Time						
Second Year Part Time						
Second Year Seasonal						
Third Year Full Time						
Third Year Part Time						
Third Year Seasonal						

TYPE OF EMPLOYMENT

~~Independent Contractors~~

Construction Resources

	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time						
Present Part Time						
Present Seasonal						
First Year Full Time	5	0	0	0	5	5
First Year Part Time	0	40	0	15	55	22
First Year Seasonal						
Second Year Full Time						
Second Year Part Time						
Second Year Seasonal						
Third Year Full Time						
Third Year Part Time						
Third Year Seasonal						

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Mid-Hudson Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	42,000			34,000
Estimated Number of Employees Residing in the Mid-Hudson Economic Development Region ¹	4			4

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:

Temporary Construction jobs will be created from 12/17 through 12/18

- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

V. PROJECT COST AND FINANCING SOURCES

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____ \$894,444 _____
Buildings	\$ _____ 16,994,444 _____

¹ The Mid-Hudson Economic Development Region consists of the following counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester.

Machinery and equipment costs	\$ 10,799,444
Utilities, roads and appurtenant costs	\$ N/A
Architects and engineering fees	\$ 233,333
Costs of financing	\$ 896,062
Construction loan fees and interest (if applicable)	\$ N/A
Other (specify)	
Operating Reserve Account	\$ 589,649
Developer Fee	\$ 3,472,194
Other Soft Costs	\$ 1,675,587
TOTAL PROJECT COSTS	\$ 35,555,157

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Net Investor Equity	\$ 10,739,879
Freddie Mac	\$ 17,461,111
NYS HFA Subsidy	\$ 5,071,111
State Programs	\$
Local Programs	\$
Deferred Developer Fee	\$ 2,283,056
Other (specify, e.g., tax credits)	\$
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ 35,555,157

The PILOT payment terms are not completed here because the project applicant is seeking a PILOT Deviation. Under the Agency's UTEP, the project applicant may seek a PILOT Deviation by contacting the local taxing jurisdictions, negotiating the PILOT terms and then obtaining the approval of such terms by the local taxing jurisdictions. The project applicant has advised the Agency that it has reached out to the City of Kingston and had discussions on a PILOT structure with the City. Once the project applicant obtains a preliminary agreement with the City, the project applicant will then contact Ulster County and the Kingston City School District to finalize the PILOT structure. As provided in the Agency's UTEP, the Agency will not grant final approval to the Project until the City, the County and the School District have approved the PILOT terms.