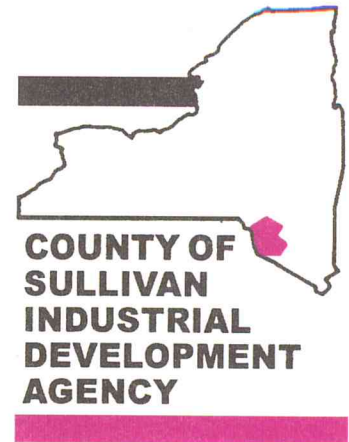


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April 14, 2021

Mr. Joshua Potosek, County Manager
County of Sullivan
100 North Street
P.O. Box 5012
Monticello, New York 12701

Mr. Joe Levner, Councilperson
Town of Fallsburg
PO Box 2019
19 Railroad Plaza
South Fallsburg, New York 12779

Dr. Ivan Katz, Superintendent
Fallsburg Central School
115 Brickman Road
South Fallsburg, New York 12733

RE: Deviation from Uniform Tax Exemption Policy

Dear Mr. Potosek, Mr. Levner, and Dr. Katz,

The County of Sullivan Industrial Development Agency ("Agency") is contemplating deviating from its Uniform Tax Exemption Policy ("UTEP") with respect to the proposed 234 Main Street, LLC ("Applicant") project.

The Applicant is developing a multi-use retail and residential building on an approximately 1.03 acre parcel located on Main Street in the Hamlet of Hurleyville, Town of Fallsburg (SBL# 34.-6-12.2) ("Project"). The retail portion of the Project fits within the Agency's Retail Sales Program, but the residential portion of the Project, which constitutes approximately sixty-seven (67%) percent of the total project cost and floor area, does not fit within any program offered under the Agency's UTEP. The Agency recognizes the importance of creating and sustaining viable Main Streets in Sullivan County, and has determined to consider applications for multi-use Main Street projects on a case-by-case basis.

The Agency proposes to offer the Applicant a Payment in Lieu of Tax (PILOT) Agreement through which the Applicant would receive real property tax abatements as follows: Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing two and one-half (2½%) percent per

year for years two (2) through twenty (20). Year one will be the 2023 PILOT payment in lieu of the 2023 Town of Fallsburg and County of Sullivan tax bills, and the 2022-23 Fallsburg Central School District tax bill.

The Applicant is investing considerable resources into the ongoing revitalization of the hamlet of Hurleyville, creating jobs, offering services to residents and visitors, and providing housing. The proposed deviation is intended to enable the Project to be sustainable over time. Please note the enclosed application includes a request for a sales and use tax exemption, but no sales and use tax exemption will be provided by the Agency.

The Project is expected to create ten permanent full-time equivalent jobs. The overall benefits to the community, including new real property taxes and sales taxes, personal income gains related to new and retained jobs, and multiplier effects, exceed the costs to the community in the form of all tax abatements and additional school, highway and other municipal costs by a ratio of 8.18 to one. For these reasons, the Agency proposes to deviate from its Uniform Tax Exemption Policy to facilitate this development.

Section 874(4)(b) of the General Municipal Law of the State of New York requires the Agency to provide notice to all affected tax jurisdictions of any contemplated deviation from its Uniform Tax Exemption Policy.

The Agency will review and respond to any correspondence received from any affected tax jurisdiction regarding the proposed deviation. Comments on the proposal will be received through May 7, 2021. Any representative of an affected taxing jurisdiction may attend the Agency's May 10, 2021 meeting to address the Agency regarding the proposed deviation. Due to the COVID-19 emergency and State and federal bans on large meetings or gatherings, the Agency will meet via teleconference on May 10 if Governor Cuomo's Executive Order suspending the requirements of the Open Meetings Law is extended through that date. Meeting location or teleconference information will be posted on the Agency's website, www.sullivanida.com.

Please contact me if you have any questions. Thank you.

Sincerely,



Jennifer Flad
Executive Director

cc: Suzanne Loughlin, Agency Chairperson
Walter Garigliano, Agency Counsel
Steven Vegliante, Project Counsel
Tara Lewis, Garigliano Law Offices

enclosures: Project Application
Cost-Benefit Analysis