

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
548 Broadway
Monticello, New York 12701
845-428-7575
APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: Sunset Lake Local Development Corporation

Address: c/o Sullivan County Manager's Office, 100 North Street, Monticello, New York 12701

Phone No.: (845) 807-0147

Telefax No.: _____

Email Address: SunsetLakeLDC@co.sullivan.ny.us

Fed Id. No.: _____

Contact Person: Lowell Feldman - Chair

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners): Sullivan County - Sole Member

Directors/Managers: Lowell Feldman - Chair/Director; William Chellis - Vice Chair/Director

Officers: Michell Huck - Secretary/Treasurer; Nadia Rajszyk - Director; Albee Bockman - Director

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

Corporation (Sub-s) (Not-for-Profit Corporation pursuant to Section 1411 of the N-PCL)

Date of incorporation: September 16, 2020

State of incorporation: New York

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation: _____

Jurisdiction formation: _____

_____ Limited Liability Company/Partnership (number of members _____)

Date of organization: _____

State of organization: _____

_____ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A_____ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Harris Beach PLLC, Shawn M. Griffin

Address: 99 Garnsey Road, Pittsford, New York 14534

Phone No.: (585) 419-8800

Telefax No.: (585) 419-8801

Email Address: sgriffin@harrisbeach.com

II. REQUESTED FINANCIAL ASSISTANCE

	<u>Estimated Value</u>
Real Property Tax Abatement (estimated)	\$ -0- _____
Mortgage Tax Exemption	\$ -0- _____
Sales and Use Tax Exemption	\$ -0- _____
Issuance by the Agency of Tax Exempt Bonds	\$ -0- _____

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 256 Sunset Lake Road, Liberty, New York 12754
Tax Map Number(s): 23.-1-126.6
Located in the Village of: _____
Located in Town of Liberty
Located in the School District of Liberty
Located in Hamlet of _____

(i) Are Utilities on Site?

Water/Sewer X Electric X
Gas _____ Storm Sewer X

(ii) Present legal owner of the site: Sunset Lake Local Development Corporation

If other than Applicant, by what means will the site be acquired for this Project:

(iii) Zoning of Project Site: Current: R-1 Proposed: _____

(iv) Are any variances needed: Applicant proposes to continue the current nonconforming use.

(v) Principal Use of Project upon completion: 146-bed skilled nursing facility.

B.) 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:

C.) 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, please explain:

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

2. Is the Project reasonably necessary to discourage the Applicant 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 explain:

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? NO; If yes, please contact the Agency for additional information.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See cover letter.

G.) **COSTS AND BENEFITS OF THE PROJECT**

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ -0-
Estimated Mortgage Tax Exemption	\$ -0-
Estimated Property Tax Abatement	\$ -0-
Estimated Interest Savings IRB Issue	\$ -0-

Benefits= Economic Development

Jobs created	\$ _____
Jobs retained	\$ <u>Approximately \$9,000,000.00</u> in estimated annual salary payroll
Private funds invested	\$ _____
Other Benefits	\$ _____

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

Construction:	_____
Permanent:	_____
Retained (at current facility):	150

Project Costs (Estimates)	
Land and Existing Buildings	\$ _____
Soft Costs (5%)	\$ _____
Other	\$ _____
Total	\$ _____

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

Approximately 150 jobs retained

- 2) The projected timeframe for the creation of new jobs.

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

The Facility currently employs approximately 150 local care givers with salaries ranging from approximately \$32,000.00 to \$88,000.00.

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The

labor market area defined by the agency (Mid-Hudson Economic Development Region)

2,329,896

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency The Agency's financial assistance will induce Infinite Care to provide \$3,000,000 in improvements to the Facility.

IV. 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, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents 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.

- G.) 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.
- H.) 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.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent 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.

(APPLICANT) Sunset Lake Local Development



By: (NAME, TITLE) Lowell Feldman, Chair

Date: 1/24/2022

(APPLICANT)

LOWEN P. FELDMAN, Chairman

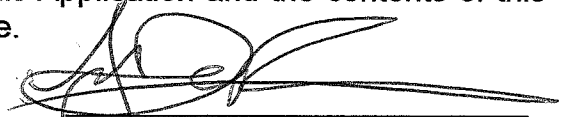
By: (NAME, TITLE)

Date: 1/24/2022

STATE OF NEW YORK)
COUNTY OF SULLIVAN) ss.:

Lowell Feldman, being first duly sworn, deposes and says:

1. That I am the Chair of Sunset Lake LDC (collectively, the "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.


(NAME) Lowell Feldman

Subscribed and affirmed to me under penalties of perjury
this 24 day of January, 2022.


(Notary Public)

RITA J. SHEEHAN
Notary Public, State of New York
Sullivan County Clerk's #2216
Commission Expires July 6, 2022

THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT; IF A LIMITED PARTNERSHIP: ITS CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT; OR IF A PARTNERSHIP: ITS PARTNERSHIP AGREEMENT TO:

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
Executive Director
548 BROADWAY
MONTICELLO, NEW YORK 12701**

HOLD HARMLESS AGREEMENT

Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("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.

(APPLICANT) ~~Sunset Lake Local Development~~

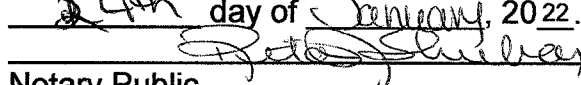

By: (NAME, TITLE) Lowell Feldman, Chair

Date: 1/24/2022

(APPLICANT)

LOWELL S FELDMAN
By: (NAME, TITLE)

Date: 1/24/2022

Sworn to before me this 24th day of January, 2022.

Notary Public

RITA J. SHEEHAN
Notary Public, State of New York
Sullivan County Clerk's #2216
Commission Expires July 6, 2028

Supporting Attachment
to
County of Sullivan Industrial Development Agency
Application for Financial Assistance

This explanation is attached to and made part of the Application of Sunset Local Development Corporation (the “**Applicant**”) to the County of Sullivan Industrial Development Agency (the “**CSIDA**”).

Reference is made to Section II. REQUESTED FINANCIAL ASSISTANCE, the Applicant seeks a deviation from CSIDA’s Uniform Tax Exempt Policy (“**UTEF**”).

The project consists of the property located at 256 Sunset Lake Road, Liberty, New York (the “**Property**”) and the 146-bed skilled nursing facility (the “**Facility**”) situated on the Property, known as The Care Center at Sunset Lake. The Applicant is the current fee title holder of the Property. The County of Sullivan (the “**Facility Operator**”) leases the Property from the Applicant and is the licensed operator of the Facility. The Facility Operator entered into that certain Consulting Agreement (the “**Consulting Agreement**”) by and between the Facility Operator and Sunset Lake Consulting LLC d/b/a Infinite Care (“**Infinite Care**”) dated as of August 15, 2021.

Pursuant to the Consulting Agreement, Infinite Care will provide certain consulting services to the Facility Operator and assist in the transition of the Facility’s operating certificate together with the real property lease to Infinite Care – effective upon Infinite Care receiving an operating certificate to operate the Facility (the “**CON Transition Date**”). Infinite Care is a for profit company and pursuant to the Consulting Agreement is obligated to pay the operating shortfalls related to operation of the Facility.

The County of Sullivan has operated the Facility since 1990. In addition to the long-term nursing care and short-term rehabilitation services that the Facility provides for local residents, it employs approximately 150 local caregivers.

The Applicant seeks financial assistance from the CSIDA in the form of property tax abatement and proposes to enter into a payment in lieu of tax (“**PILOT**”) agreement with the Agency, with the Facility Operator as the party in interest for so long as it continues as the licensed operator of the Facility, with the intention that Infinite Care will enter into a negotiated PILOT agreement with the Agency once it becomes the licensed operator of the Facility.

The Consulting Agreement guarantees that Infinite Care will invest \$3,000,000 in the Facility within the first three (3) years of operation, followed by an \$800,000 annual fee paid to the Applicant thereafter. As required by its charter, the Applicant will remit those funds to the County of Sullivan.

The project seeks to improve the services rendered to those who receive care at the Facility, relieve taxpayers of having to cover operational shortfalls each year and preserve and promote job opportunities and quality of life for staff and residents.

The Applicant proposes (1) a fixed PILOT payment of \$350,000 commencing in January 2023 with increases by Consumer Price Index capped at two percent (2%) per annum; and (2) for the PILOT to extend beyond the traditional 20-year limit provided for in the UTEP with the initial term being the current interim period plus an additional 20-year term commencing on the CON Transition Date to Infinite Care. The below schedule depicts a 20-year PILOT payment schedule fixed at \$350,000 with a two percent (2%) increase per annum - it being understood that the CON Transition Date is undetermined at this time.

PILOT Year	School District Tax Year	Total PILOT Payment
Year 1	2022-2023	\$350,000
Year 2	2023-2024	\$357,000
Year 3	2024-2025	\$364,140
Year 4	2025-2026	\$371,423
Year 5	2026-2027	\$378,851
Year 6	2027-2028	\$386,428
Year 7	2028-2029	\$394,157
Year 8	2029-2030	\$402,040
Year 9	2030-2031	\$410,081
Year 10	2031-2032	\$418,282
Year 11	2032-2033	\$426,648
Year 12	2033-2034	\$435,181
Year 13	2034-2035	\$443,885
Year 14	2035-2036	\$452,762
Year 15	2036-2037	\$461,818
Year 16	2037-2038	\$480,475
Year 17	2038-2039	\$490,084
Year 18	2039-2040	\$499,886
Year 19	2040-2041	\$509,884
Year 20	2041-2042	\$520,082

The estimated combined Town/County 2023 tax assessment and Liberty School District 2022-2023 tax assessment is \$350,000, and thus, the proposed PILOT payment schedule will not be unfavorable to the Town, County or Liberty School District budgets. The above proposed arrangement is beneficial to the municipality, the operator of the facility, the Facility employees, and those depending on the services provided by the Facility.