

APPLICANT'S COUNSEL

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II. PROJECT INFORMATION

Project Address: 1171-1183 Warburton Avenue

Block(s) & Lot(s): Block 3570; Lots ~~10~~¹¹, 13, 15, 16 and 18 UPDATED: 9/21/2015

A) Attach a narrative description of any proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.

COST OF TOTAL PROJECT: \$ 18,400,000 includes soft

CLIENT COSTS:

Real Estate \$ 3,500,000

Construction \$ 11,130,000

Furnishings, Equip. & other
Sales taxable \$ 300,000

Not sales-taxable \$ _____

Property Assessed Value \$ 59,200 (4 lots)

Mortgage Amount \$ 16,000,000

COST BENEFIT ANALYSIS:

Costs = Financial Assistance

Estimated Sales Tax Exemption \$ 322,961

Estimated Mortgage Tax Exemption \$ 288,000

Estimated Property Tax Abatement \$ To be determined

Estimated Interest Savings IRB Issue \$ N/A

Benefits = Economic Development

Private funds invested: \$ 18,400,000

Other Benefits: \$ _____

B) Job Creation and Retention (Please do not include construction jobs)

Current # FTE (Full Time Equivalents) at Project Location	Estimate # of FTEs Jobs to be Created	Estimate # of FTEs Jobs to be Retained
0	2	N/A

C) Average estimated salary of jobs to be created: \$ 50,000
a) Annualized salary range of jobs to be created: \$ 45,000 to \$ 55,000

D) Average estimated salary of jobs to be retained: \$ N/A

E) Estimate how many construction jobs will be created as a result of this project: 100

F) If the cost of the total project (in II A above) exceeds \$5,000,000 **and involves: (i) construction of a new facility, (ii) construction of an addition to an existing facility, or (iii) renovations or alterations to an existing facility please complete the following (if not, please proceed to G below):**

- i. estimated cost of project construction contract(s): \$ 11,130,000
- ii. total cost attributable to materials: \$ 3,339,000
- iii. total cost attributable to labor: \$ 7,791,000

Estimated aggregate number of work hours of manual workers¹ to be employed in project construction: 250,000

Estimated length of project construction: 16 months

Will project construction be governed by a project labor agreement (“PLA”) with the Building and Construction Trades Council of Westchester and Putnam Counties, New York AFL-CIO (“Council”)² Yes No

If you have answered YES to the preceding question, please attach a copy of the PLA; and you need not complete the remaining portions of this Section (but please see note below).

¹ As defined in Section 190 of the Labor Law.

² This may be either a PLA already in effect with the landlord of the Project facility, or a PLA made (or to be made) between the Applicant and the Council directly in connection with Project Construction.

For each Contractor or Subcontractor currently known or reasonably expected to be involved in Project Construction, please state (attach additional pages as necessary):

Name: To be determined.

Address³: _____

(a) Is this contractor Union or Open Shop (if union identify local)?

(b) Will contract require local (i.e. Westchester County) hiring? Yes No
If YES, what percentage of manual workers will be local: _____ %

(c) If Non-Union, will contract require payment of Prevailing Wage⁴?
 Yes No

If the answer to question “(b)” or “(c)” above is NO, explain omission:

If some or all of the Contractor(s) or Subcontractor(s) to be involved in Project construction cannot reasonably be identified at this time, please state whether it is Applicant’s intention to require the following in its contract(s) for Project construction:

(a) Local (i.e. Westchester County) hiring? Yes No
If YES, what percentage of manual workers will be local 75 %

(b) Union labor? Yes No

(c) If Non-Union, will contract require payment of Prevailing Wage?
 Yes No

(d) If the Applicant believes the information requested in this Section II is not presently ascertainable, please check here and explain omission:

If the answer to question “(a)” “(b)” or “(c)” above is NO, explain omission:
The project will be constructed by GDC, which historically uses a mix of union and non-union contractors with all contracts subject to bid and negotiation.

NOTE: If Applicant has indicated herein that Project Construction will involve a PLA, union labor, local hiring, and/or payment of Prevailing Wage, the Agency reserves the right to include such requirements in the Project Documentation as conditions for the extension and retention of tax benefits.

³ If a contractor and/or subcontractor has a permanent location in or around Westchester County from which the contract will be administered, please use that address.

⁴ For purposes of this Application, “Prevailing Wage” shall mean the “prevailing rate of wage” as defined in Article 8 of the New York Labor Law.

G) Are Utilities on Site? (Yes/No)

Water Yes Electric Yes Gas Yes Sanitary/Storm Sewer Yes

H) Present legal owner of the site: Builders New York Holdings X LLC

If other than Applicant, by what means will the site be acquired for this project:
Applicant is under contract to purchase.

D) Zoning of Project Site: Current: MG Proposed: MG

J) Are any variances needed: Yes, several area variances and parking count variance

K) Principal Use of Project upon completion: 55-unit market rate rental apartment building with one affordable housing unit per Yonkers ordinance.

Will the project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another? Yes No

If YES, please detail: _____

Will the project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York? Yes No

If YES, please detail: _____

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? Yes No

If YES, please detail: _____

L) Financial Assistance being applied for and enter the Estimated Value

- Sales and Use Tax Exemption \$ 322,961
- Mortgage Tax Exemption \$ 288,000
- Real Property \$ TBD
- Tax Exempt Industrial Revenue Bonds \$ N/A

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 and Financial Assistance from the Agency, except 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 Employ – In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives and Financial Assistance from the Agency, except 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 the 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 including corresponding payroll records for the year ending.
- 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 employees of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein described:

Hold Harmless and Other Agreement

Applicant hereby releases City of Yonkers Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, and agrees that the Agency shall not be liable for and the applicant agrees to indemnify, defend, pay and hold the Agency harmless from and against any and all liability arising from or expense incurred by the Agency concerning (A) the Agency's costs and expenses in the examination and processing of, as well as action pursuant to or upon, the attached Application, as well as verification of assertions in the application or other applicant submittals or applicant claims made now or in the future, 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 costs and expenses in reviewing any acquisition, construction and/or installation of the Project described therein and (C) and further action, costs and expenses taken by the Agency – with respect to the project; including without limiting the generality of the foregoing, all causes of action and fees and expenses for Agency attorneys, accountants, economists, engineers, architects or other professionals or consultants incurred regarding any part of the application or the review and/or approval and/or monitoring of compliance by the applicant with all laws, rules and regulations and/or in defending any suits or actions which may arise as a result or any for 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, 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 fees and expenses for Agency attorneys, accountants, economists, engineers architects or other professionals or consultants, if any.

Applicant upon approval shall be responsible for any reasonable costs incurred by the Agency to verify employment or use of benefits received by the YIDA or other information required under the Public Authorities Accountability Act or other law, rule or regulation otherwise at the time said Verification is required.

This Indemnity and Hold Harmless Agreement shall survive any closing or other transaction in which benefits are sought or received by the applicant and shall continue for a period of time up to and including three years after the last benefit is received by the applicant from the City of Yonkers Industrial Development Agency.

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.

1175 Warburton Ave LLC
 (Applicant)

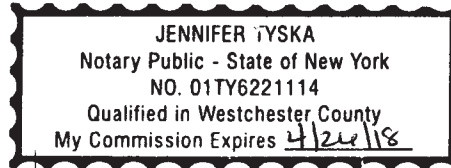
By: [Signature]
 (Signature of Applicant or Representative)

Name: Martin Ginsburg

Title: Principal

Sworn to before me this

1st day of September, 2015
[Signature]
 Notary Public



This Application should be submitted with a \$600.00 Application fee to:

City of Yonkers Industrial Development Agency
 470 Nepperhan Avenue, Suite 200
 Yonkers, New York 10701
 Attention: Ken Jenkins, President

NOTES: The Agency will collect an Agency Fee at the time of closing. Fees are based on the type of Financial Transactions.

<u>AGENCY FEE TYPE</u>	<u>FEE</u>
Bond Transactions	1 %
Straight Lease Transactions	.5 %

The Agency will collect an Annual Administrative Fee based on your project type and amount. This fee will be due annually on Feb 28th, after IDA benefits are provided to the project. (see below)

Bonds	Annual Fee
up to \$10M	\$ 1,000
over \$10M	\$ 2,000
Straight Lease	Annual Fee
up to \$10M	\$ 500
over \$10M	\$ 1,000

1177 Warburton Avenue – Project Description

1177 Warburton Avenue is a proposed three-story, 55-unit, market-rate rental apartment building on a 1.3-acre site to be constructed by 1175 Warburton Avenue LLC, an affiliate of Ginsburg Development Companies, LLC. (GDC) The building will contain one affordable housing unit in accordance with the Yonkers Affordable Housing Ordinance.

The site currently is comprised of four dilapidated homes that have created a blighted condition in the Greystone neighborhood. The homes were allowed to deteriorate during the ownership period of a prior developer who created the assemblage and the bank that foreclosed on the property following the real estate market crash of 2008.

This site was originally an A Zone at the time of the prior failed development. Builders Bank of Chicago made a loan on the property based on the value of being able to construct a high-rise with 100+ units on the site that would have been allowed under the A Zone.

The neighborhood association subsequently and successfully lobbied the Yonkers City Council to change the zone to MG, which reduced the height to three stories and a maximum of 55 units. This zone change caused particular hardship on the bank and caused them to ask for an above market purchase price for the land – and as a result, the property remained unsold for many years as the site continued to deteriorate.

GDC had made numerous market-rate offers to purchase the properties over the years, which were all rejected by the bank. GDC ultimately agreed to pay an above-market price for the land as a “rescue mission” in order to remove a blighted condition located just feet away from its 330-unit River Tides project. The site had become a significant detriment to the entire Greystone neighborhood of Yonkers.

The project is in need of the requested YIDA benefits in order to make the project feasible due to the above-market price paid on the land; lost income from providing the required affordable unit; and unusual site conditions, including the need for more expensive cantilever construction over the Westchester County Sewer Main and the need to provide more expensive indoor garage parking. Additionally, although under similar ownership, 1177 Warburton will still need to be competitive with River Tides, which already benefits from YIDA benefits. Project economics must compare favorably with River Tides in order to secure project financing, particularly since 1177 will not have the many amenities that are offered at River Tides. Lenders look very favorably on public/private partnerships as they help to offset risks – resulting in more favorable lending terms that help insure project success.

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