

Wayne County Industrial Development Agency  
Uniform Tax Exemption Policy

Adopted January 3, 1994 Re-Adopted 3/30/99

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the Wayne County Industrial Development Agency (the "Agency") may provide financial assistance to qualified applicants for the taxable bonds or by participation in straight lease transactions.

The Agency generally does not require real property appraisals to be performed as part of the application for financial assistance. However, the Agency does reserve the right to require a real property appraisal as part of an application for financial assistance. In making such determination, the Agency may consider any or all of the factors described in Paragraph D below, no one of which is determinative.

The Agency has adopted this Uniform tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

A. Real Property Tax Incentives

1. Industrial – 10 Year Exemption Period

- a. New construction for the facility (as described in the IDA application) will be 100% exempt on the value added because of the IDA project for the 1<sup>st</sup> 5 years and 50% exempt on the value added because of the IDA project for the 2<sup>nd</sup> 5 years. This provision does not include assessments on land.
- b. An existing facility that is being renovated and/or enlarged will have its current assessment for the existing building frozen at that level for the 10 year exemption period and will be 100% exempt on the increase in value because of the IDA project for the 1<sup>st</sup> 5 years and 50% exempt on the value added because of the IDA project for the 2<sup>nd</sup> 5 years.

2. Retail

The project shall be eligible to receive the same benefits as it would receive under Section 485-B of the Real Property Tax Law as a private project.

3. Other Non-Industrial (e.g. office buildings)

An office building connected to or part-of a manufacturing project shall receive the same benefits as described in Section 1. All others will receive those benefits as described in Section 2.

4. Mixed or Multiple Use Projects

Same as above; those portions of the project that are manufacturing or part of a manufacturing business will receive the benefits as described above in Section 1. Those portions of the project that are retail or service related will receive the benefits as described in Section 2.

5. In addition, the Agency may grant enhanced benefits on a case-by-case basis for a project expected to have significant impact on the locality in which the project will be located. In making a determination to provide enhanced benefits, the Agency considers the factors listed in Paragraph D below, no one of which is determinative.

**B. Sales and Use Tax Incentives**

1. The Agency's policy is to permit project applicants, as agent of the Agency, to claim exemptions for sales and use taxes on the constructions and equipping of a project to the full extent permitted by New York State Law.
2. All project applicants must agree in writing to timely file with the New York State Department of Taxations an annual statement of the value of all sales and use exemptions claimed in connection with the Facility in full compliance with Section 874 (8) of the New York General Municipal Law, in the form and at the times required thereby.

**C. Mortgage Recording Tax Exemptions**

1. The Agency's policy is to permit mortgage recording tax exemptions on all project-related financings to the full extent permitted by New York State Law.
2. The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings, e.g., second mortgages on the project to secure subordinated indebtedness of the project applicant. In determining whether to permit such exemptions on non-project related financings, the Agency, shall consider such factors as it deems appropriate, including, but not limited to, the use of the property, the degree of investment, the degree and nature of employment, and the economic condition of the area in which the facility is located.

**D. Deviations**

In addition to or in lieu of the foregoing, the Agency may determine, on a case-by-case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviations from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdiction. The Agency may consider any or all of the following factors in making such determination, no single one of which is determinative:

- The nature of the proposed project (e.g., manufacturing, commercial, civic).
- The nature of the property before the project begins (e.g. vacant land, vacant buildings).
- The economic condition of the area at the time of the application and the economic multiplying effect that the project will have on the area.

- The extent to which a project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary ranges of such jobs.
- The estimated value of tax exemptions to be provided.
- The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions.
- The demonstrated public support for the proposed project.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- The amount of private sector investment generated or likely to be generated by the proposed project.
- The likelihood of accomplishing the proposed project in a timely fashion.
- The effect of the proposed upon the environment.
- The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services.
- The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- ((Civic Facility Projects Only)) The extent to which the proposed project encourages charitable entities to locate within the municipality in which the project is located or expand the services such not-for-profit entity provides to the municipality and its constituents.

E. Recapture of Benefits

The Agency, in its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so) with respect to a particular project to require the project applicant to agree to the recapture or termination of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include, but shall not be limited to, the following:

- 1) Sale or closure of the facility;
- 2) Significant employment reduction;
- 3) Significant change in the use of the facility;
- 4) Significant change in the business activities of project applicant or operator.

If the Agency determines to provide for recapture or termination with respect to a particular project, the Agency also shall, in its sole discretion and on a case-by-case basis, determine the timing and percentage of recapture, with termination being the preferred remedy.

Upon the occurrence of any of the events listed in this Paragraph E, the Agency will provide written notice to the project applicant giving them at least 30 days to provide, or explain its failure to provide, information pertaining to the event. The Agency will then issue a determination whether and to what extent it will require

termination or recapture of the value of tax exemptions granted with respect to the project by virtue of the Agency's involvement.

F. This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after July 21, 1993 and all refinancings of any project induced or closed before July 21, 1993.

G. The Agency, by resolution of its Members, and upon notice to all affected tax jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.