UNIFORM TAX EXEMPTION POLICY

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the Village of Fairport Industrial Development Agency (the "Agency") may provide financial assistance to qualified applicants for qualified projects benefiting the Village of Fairport (the "Village"), in the form of issuance of its tax-exempt or taxable bonds or by participation in straight lease transactions. The Agency has adopted this Uniform Tax Exemption Policy to provide guidelines for granting real property, sales and use, and mortgage recording tax exemptions (the "Policy").

In accordance with the requirements of Chapters 356 and 357 of the Laws of 1993 (The New York IDA Reform Act), and specifically Section 874 (4) (1) and (b) of the General Municipal Law (the “Law”), the Agency by Resolution of the Board of Directors (the “Board”) adopted on January 28, 1994, has established the following uniform policy with respect to financial assistance.

Pursuant to the 2015 Reform Legislation for Industrial Development Agencies (the “Reform Act”), this Policy includes standardized procedures for project evaluation criteria, recapture and annual project re-evaluation.

1. Applicability

This policy will apply to all projects receiving financial assistance on or after January 1, 1994. The terms “project” and “financial assistance” will be strictly interpreted as the Law defines them.

The Law is not retroactive with respect to PILOT payments or tax exemptions for projects, which received financial assistance prior to January 1, 1994. Therefore, the IDA retains the right to continue, amend, modify, assign or otherwise alter previous agreements, written or unwritten, with respect to tax exemptions or PILOT payments for projects of record prior to January 1, 1994.

2. Eligible/Qualified Projects and Applicants

Project criteria on applications for financial assistance that would require projects to be brought before the Board is as follows:

a. The project must be eligible to receive IDA assistance under General Municipal Law.
b. The project pledges to create and/or retain quality, good paying jobs in the Village of

Fairport.

c. The project will create a significant increase to the existing tax base upon completion and/or make a significant capital investment.
d. The project will contribute towards creating a livable community by providing a valuable product or service that is underserved in the community.
e. The project has a minimum ratio of $1 to $1 based on the Agency's cost/benefit analysis.
f. The project is included in one of the Agency's strategic focus areas:
   - Waterfront development
   - Downtown revitalization
   - Infill and adaptive reuse
   - Remediation and shovel-ready sites
   - Tourism

3. Real Property Tax

The uniform exemption from real property taxes is for a period of ten (10) years at a percentage equal to one hundred percent (100%) of the real property taxes, which would otherwise be due for the first year of operation of the project, declining in an amount of ten percent (10%) per year after such commencement until the exemption equals zero.

a. Payment in Lieu of Taxes Agreement:

The Applicant must sign an agreement to make payments in lieu of taxes ("PILOT Agreement"). All payments in lieu of taxes shall be distributed pro-rata with the affected taxing jurisdictions.

b. Real property Appraisal:

The value of a project for payment in lieu of taxes purposes is based on a valuation performed by the assessor of the Town of Perinton; therefore a real property appraisal is generally not required. However, the Agency may require the submission of a real property appraisal if:

- The assessor of any particular affected taxing jurisdiction requires one; or
- If the valuation of the project for payment in lieu of taxes purposes is based on a value determined by the Applicant or by someone acting on behalf of the Applicant, rather than by an assessor for a taxing jurisdiction or by the Authority.

If the Authority requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser, acceptable to the Agency.

4. Sales and Use Tax

The exemption from sales and use tax relates to construction, renovation or equipping of a project, to the fullest extent permitted by New York State law, during the period of construction, renovations or equipping, or until the earlier of:

- The completion date of project; or
- Three (3) years measured from commencement of construction, renovation or equipping of the project.

The Applicant must comply with the reporting requirements established by Sections 2326 and 2326-a of the New York Public Authorities Law and Section 875 of the New York General Municipal Law.

5. Mortgage Recording Tax

The exemption from the mortgage recording tax is available for all projects, to the fullest extent permitted by New York State law, in which the mortgage on the project is granted as security for the Authority's obligations or a mortgage to secure conventional financing in a straight lease transaction.

6. Deviations

Deviation from the Policy will be considered on a case-by-case basis where a project is expected to have a significant impact on the Village. Any deviation from the Policy requires written notification from the Agency to each of the affected taxing jurisdictions. The Agency may consider any or all of the following factors in making such determination, no single one of which shall be determinative:

a. The nature of the project (e.g. manufacturing, commercial, tourism).
b. The nature of the property before the project begins (e.g. vacant land, vacant buildings).
c. The economic condition of the area at the time of the application.
d. The extent to which a project will create or retain permanent, private sector jobs.
e. The estimated value of tax exemptions to be provided.
f. The impact of the project and the proposed tax exemptions on the affected tax jurisdictions.
g. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
h. The amount of private sector investment generated or likely to be generated by the

proposed project.

i. The likelihood of accomplishing the proposed project in a timely fashion.
j. The effect of the project upon the environment.
k. 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.
l. The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
m. The extent to which the proposed project will provide a benefit (economic, or otherwise) not otherwise available within the Village.
n. Demonstrated public support for the proposed project.

If after consideration of the above-stated factors the Agency determines that a deviation from the Policy is warranted, it shall adopt a resolution stating:

a. That with respect to the specified project, the Agency determines that a deviation from the Policy is warranted; and
b. The reasons, for which the Authority determines the deviation, is warranted.

Upon passage of such resolution the affected local taxing jurisdictions shall be notified of the proposed deviation and the reasons therefore.

7. Recapture

The PILOT Agreement shall set forth grounds upon which the value of tax exemptions must be repaid to the Agency. Events that may trigger a recapture include, but are not limited to, the following:

a. Liquidation of operations (absent showing of extreme hardship);
b. Relocation of Applicant's operations from the project site to another site;
c. Transfer of a substantial number of jobs out of the Village;
d. Sublease of the project site in violation of the project agreements; or
e. Sale or disposition of the project property.

The Agency's Policy for the amount to be repaid is set as a percentage of benefits received, depending on the years after closing in which the event occurs as follows:

Years	% of Benefits Recaptured
1-6	100%
7	80%
8	60%
9	40%
10	20%

The Agency may deviate from the Policy's recapture based upon the factors described above.

If the Applicant fails to meet and/or continuously maintain the goals established through the term of the PILOT Agreement, the Agency may terminate the PILOT Agreement or impose penalties and/or sanctions, at its discretion, not to exceed those set forth in the PILOT Agreement. Any monetary penalties or sanctions shall be deemed independent obligations of the Applicant, which shall survive termination of the PILOT Agreement.

8. Re-Evaluation

Projects that receive financial assistance from the Agency are subject to an annual review. The Agency will provide annual progress reports to the Board, which will provide the basis for determining if a project is on track. The board may opt to discontinue, suspend or modify the incentives. At the Board's discretion, a 6-month grace period may be granted to give the company the opportunity to correct its course.

Data gathered annually to assess a project's progress includes:

a. Number/categories of jobs retained/created
b. Salary ranges of retained/created jobs
c. Company payroll
d. Sales tax generation (for retail/tourism projects only)