

**TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION (LDC)
APPLICATION FOR FINANCIAL ASSISTANCE**

DATE: 02/04/2019

APPLICATION OF: Active Retirement Community, Inc. (d/b/a Jefferson's Ferry)
Applicant Name / Ownership of Proposed Project

ADDRESS: One Jefferson Ferry Drive
South Setauket, New York 11720

Type of Application: Tax-Exempt Bond Taxable Bond Lease
 Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in ten copies. A non-refundable application fee is required at the time of submission of this application to the LDC. The non-refundable application fee is \$2,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the LDC may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the LDC prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the LDC's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven LDC to encourage the use of local labor and the payment of the area standard wage during construction on the project.

Please write or call:
Town of Brookhaven Local Development Corporation
c/o Town of Brookhaven Division of Economic Development

One Independence Hill
Farmingville, New York 11738

(631) 451-6563

I. Company Data

A. ORGANIZATION OR NOT-FOR-PROFIT (APPLICANT FOR ASSISTANCE)

Organization Name: Active Retirement Community, Inc. (d/b/a Jefferson's Ferry)

Address: One Jefferson Ferry Drive
South Setauket, New York 11720

Contact: Robert E. Caulfield Title: Chief Executive Officer

Phone Number: [REDACTED] E-mail: [REDACTED]

Federal Employer ID Number: [REDACTED]

B. ANY RELATED ENTITY PROPOSED TO BE A USER OF THE FACILITY:

NAME	RELATIONSHIP
NONE	

C. ORGANIZATION'S COUNSEL:

Firm Name: Garfunkel Wild, PC

Address: 111 Great Neck Road
Great Neck, NY 11021

Individual Attorney: Andrew Schulson, 516-393-2234

BOND COUNSEL

Nixon Peabody LLP

1300 Clinton Square
Rochester, NY 14604

Phone: William Weir, 585-263-1509

D. BANK REFERENCES AND / OR SOURCE OF FINANCING

Name: HSBC Name: _____

Address: _____ Address: _____

Contact: _____ Contact: _____

E. PRINCIPLE STOCKHOLDERS (INCLUDING PARENT ORGANIZATION) OR PARTNERS, IF ANY (5% OR MORE EQUITY)

NAME	PERCENT OWNED
NONE	

F. Has the applicant ever filed for bankruptcy?

No

G. Have any of the top executives ever been convicted of a felony?

No

If yes, please explain:

N/A

H. Has the applicant ever been convicted of a felony?

No

If yes, please explain:

N/A

I. List parent corporation, sister corporations and subsidiaries (if applicable):

Mather Health System, Inc.

J. Has the applicant (or any related corporation or person) been involved in or benefited by any prior Industrial Development Agency or LDC financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

Suffolk County Industrial Development Agency, 2006 Revenue Refunding Bonds, in the amount of \$55,545,000

Suffolk County Industrial Development Agency, 1999 Revenue Bonds, in the amount of \$85,685,000

Town of Brookhaven Local Development Corporation, 2016 Revenue Refunding Bonds, in the amount of \$38,040,000

K. OPERATION AT CURRENT LOCATION:

1. Employment: * See attached 2. Payroll _____

3. Describe applicant's operation:
Continuing Care Retirement Community, including independent living, assisted living and skilled nursing beds
 4. Size of existing facility acreage: 50 Acres
 5. Number of buildings and square feet: 488,000 square feet of building space
 6. North American Industry Classification System Number: NAICS 623311
- * Please attach the most recent quarterly New York State Dept. of Labor form 45. (See VI. E)

II. PROPOSED PROJECT DATA

- A. Location of project: (include as an attachment a map showing the location)
Address: One Jefferson Ferry Drive
South Setauket, New York 11720
Suffolk County Tax Map: District 200 Section 308 Block 03.0 Lot 01-04
- B. Project Site: (Include as an attachment copies of survey, preliminary site plan, architectural rendering of the facility)
 1. Acreage: 50 Acres
 2. Buildings:
 - A) Existing number and square feet of each building:

488,000 square feet of building. Please see Insert 1
 - B) Does the project consist of additions and/or renovations to existing buildings? If yes, indicate the nature of expansion or renovation:

Yes, the project will consist of both additions & renovations [See Insert 1]
 - C) New Construction – number and square feet of each building:

Yes, please see Insert 1
 - D) Builder or contractor and address: None currently selected.
Lecesse Construction Services, Inc. is currently providing pre-construction consulting services. It is highly possible, but not guaranteed at this time, that Lecesse will be the construction manager. Lecesse's address is 15 Circle Street, Rochester, NY 14607.

E) Architect name and address: KDA Architects
227 Laurel Road, Suite 200
Voorhees, New Jersey 08043

3. Indicate present use of site: The site is presently used as a continuing care retirement community, including independent living, assisted living and skilled nursing services.

4. Indicate relationship of applicant to present user of site (if any):
Applicant is owner of the site.

C. Proposed project ownership (applicant or separate real estate entity):
Applicant is the owner of the site.

D. What will the building or buildings to be acquired, constructed or expanded be used for by the applicant?:

The new buildings and renovated spaces will continue to be used for the purpose of providing independent living, assisted living and skilled nursing. A new building will be used for memory care assisted living.

E. If any space in the project is to be leased to third parties, indicate the total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

All of the apartments and cottages are occupied by residents of the continuing care facility for residential purposes under life care/residency agreements.

F. List principal items or categories of equipment to be acquired as part of this project:

Building system equipment such as HVAC and fire protection systems, commercial kitchen equipment, office desks, furniture & equipment, healthcare equipment such as beds, medical equipment, rehabilitation and fitness equipment, resident appliances such as refrigerators, washers, dryers, microwaves and dishwashers. Common areas furnishings such as chairs, sofas, tables, lamps and artwork.

G. Has construction work on this project begun? If yes, complete the following:

(a.) SITE CLEARANCE:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	**See below
(b.) FOUNDATION:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	
(c.) FOOTINGS:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	
(d.) STEEL:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	
(e.) MASONRY:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	
(f.) OTHER:						

** Construction of new spaces and renovation of existing spaces has not yet started. Existing buildings and improvements at the site are currently complete and the continuing care facility is presently operational.

H. Existing facilities within New York State:

1) Are there other facilities owned, leased, or used by the applicant (or a related company or person) within the state? If so, describe whether owned, leased, or other terms of use:

None.

2) If there are other facilities within the state, is it expected that any of these facilities will close or be subject to reduced activity?

YES NO

3) If you answered yes to question 2 above, please indicate the reason for the expansion in the Town of Brookhaven:

Not Applicable.

4) Will the project meet zoning requirements at the proposed location?

YES NO

5) If a change of zoning is required, please provide the details/status of the change of zone request.

No change in zoning is required as a result of the contemplated renovations or expansion.

I. Does the applicant, or any related corporation or person, have a lease on the project site?

YES NO

J. Does the applicant now own the project site?

YES NO

1. If yes, indicate:

A) Date of purchase: November 30, 1999

B) Purchase price: \$5,000,000

C) Balance of existing mortgage (if any): Approximately \$35,128,000 (current bonds)

D) Holder of mortgage: U.S. Bank National Association

E) Special conditions: n/a

2. If no, indicate:

A) Present owner of site: _____

B) Does the applicant or any related person or corporation have an option or a contract to purchase the site and/or any buildings on the site?

YES NO

If yes, indicate:

1) Date signed: _____

2) Purchase price: _____

3) Settlement date: _____

4) Please attach a copy of option or contract.

K. Is there a relationship legally or by virtue of common control or ownership between the applicant and the seller of the project (and/or its shareholders)? If yes, please describe this relationship:

No.

L. How much equity will the applicant have in this project?

To follow.

III. PROJECT COSTS

A. Give an accurate estimate of cost of all items:

	AMOUNT	
LAND	\$ _____	See Insert #2
BUILDING	\$ _____	See Insert #2
SITE WORK	\$ _____	See Insert #2
LEGAL FEES	\$ _____	See Insert #2
ENGINEERING FEES	\$ _____	See Insert #2
LEGAL & FINANCIAL CHARGES	\$ _____	See Insert #2
EQUIPMENT	\$ _____	See Insert #2
RECORDING FEES	\$ _____	See Insert #2
OTHER (SPECIFY)	\$ _____	See Insert #2
TOTAL	\$ _____	120,000,000

B. METHOD OF FINANCING COSTS

	Amount	Term
1. Tax-exempt LDC financing:	\$ 120,000,000	35 years
2. Taxable LDC financing:	\$ _____	_____ years
3. Governmental financing:	\$ _____	_____ years
4. Other loans:	\$ _____	_____ years
5. Applicant's equity contribution:	\$ _____	_____ years

Total Project Costs \$ 120,000,000

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?

YES NO If yes, give particulars on a separate sheet.

D. Are costs of working capital, equipment or moving expenses included in the proposed uses of bond proceeds? Give details:

No working capital or moving expenses. There is approximately \$2.1 million of equipment such as emergency call systems, computers, smallwares, housekeeping carts and furnishings.

E. Will any of the funds borrowed through the LDC be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No

- F. Has the applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

No. Jefferson's Ferry has not selected an underwriter at this time. Ziegler and Company, was the underwriter for the 2016 refinancing bonds and will be a candidate for this bond issue.

IV. MEASURE OF GROWTH AND BENEFITS

- A. If the applicant presently operates in the Town of Brookhaven, give current employment and payroll. Also give reasonable estimates of employment and payroll directly attributable to the facility to be built in the Town of Brookhaven.

CURRENT EMPLOYMENT FIGURES	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	6	78	35	20
Number of Part-Time Employees (FTE) earning:	24	31	9	3

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$		7,764,102
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$		3,476,431
TOTAL PAYROLL FOR ALL EMPLOYEES		\$		11,240,533

PROJECTED EMPLOYMENT FIGURES - YEAR ONE	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	6	103	44	24
Number of Part-Time Employees (FTE) earning:	24	32	10	3

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$		9,874,102
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$		3,566,431
TOTAL PAYROLL FOR ALL EMPLOYEES		\$		13,440,533

PROJECTED EMPLOYMENT FIGURES - YEAR TWO	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	6	106	45	24
Number of Part-Time Employees (FTE) earning:	24	32	10	3

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$		10,064,102
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$		3,586,431
TOTAL PAYROLL FOR ALL EMPLOYEES		\$		13,650,533

The Board reserves the right to visit the facility to confirm that job creation numbers are being met.

V. PROJECT CONSTRUCTION SCHEDULE

- A. What is the proposed date for commencement of construction or acquisition of the project?

Possibly prior to closing and if not, immediately after closing.

- B. Give an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur:

18-36 Months

- C. At what time or times and in what amount or amounts is it estimated that funds will be required?

All funds will be required immediately upon closing and through project completion.

VI. SUBMIT THE FOLLOWING INFORMATION OF THE APPLICANT

- A. Financial statements for the last two fiscal years (unless included in the applicant's annual report).
- B. What, if any, will be the expected increase in the applicant's gross income? \$ 36,910,000
- C. In addition, please attach the financial information described in items A and B of any expected guarantor of the proposed bond issue.
- D. Completed Long Environmental Assessment Form.
- E. Most recent quarterly filing of NYS Department of Labor form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

VII. The Company hereby authorizes the LDC, without further notice or consent, to use the Company's name, logo and photographs related to the Facility in its advertising, marketing and communications materials. Such materials may include web pages, print ads, direct mail and various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the LDC also has the right to publicize its involvement in the Project.

Initial 

Town of Brookhaven Local Development Corporation
Payment in Lieu of Tax (PILOT) Policy

An annual fee of \$1,000 will be due to the LDC in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Local Development Corporation (LDC) may grant, or be utilized to obtain a partial or full real property tax abatement for a determined period which can be as long as ten years. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven LDC.
2. The Chief Executive Officer (CEO) of the LDC or his or her designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or his or her designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven LDC shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or his or her designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or his or her designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the LDC.
5. If first-half PILOT payments are not received on a timely basis (as outlined in paragraph 2 hereof), the following interest and penalties shall accrue:

(i)	2/1 to 2/28	1% of the amount due
(ii)	3/1 to 3/31	2% of the amount due
(iii)	4/1 to 4/30	3% of the amount due
(iv)	5/1 to 5/31	4% of the amount due
(v)	6/1 to 6/30	5% of the amount due
(vi)	7/1 to 7/31	5% of the amount due
(vii)	8/1 to 8/31	5% of the amount due
(viii)	9/1 to 9/30	5% of the amount due
(ix)	10/1 to 10/31	5% of the amount due
(x)	11/1 to 11/30	5% of the amount due

PILOT payments paid after May 31st shall pay interest and penalties as follows:

(i)	6/1 to 6/30	5% interest and 5% penalty
(ii)	7/1 to 7/31	6% interest and 5% penalty
(iii)	8/1 to 8/31	7% interest and 5% penalty
(iv)	9/1 to 9/30	8% interest and 5% penalty
(v)	10/1 to 10/31	9% interest and 5% penalty
(vi)	11/1 to 11/30	10% interest and 5% penalty

For PILOT payments past due beyond one year, additional interest and penalties will accrue.

6. If a PILOT payment is not received by January 31st of any year or May 31st of the second-half of the year the lessee shall be in default pursuant to the PILOT Agreement. The LDC may give the lessee notice of said default. If the payment is not received within sixty (60) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.
7. The CEO shall maintain records of the PILOT accounts at the LDC office.
8. Nothing herein shall be interpreted to require the LDC to collect or disburse PILOT payments for any projects which are not LDC projects.
9. Should the Applicant fail to reach employment levels as outlined in their application to the LDC, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sales Agreement, and/or convey the title back to the Applicant.
10. This policy has been adopted by the LDC Board upon recommendation of the Governance Committee and may only be amended in the same manner.

NOTE: A payment-in-lieu-of-tax (PILOT) will only be required if the applicant does not own the land on which the building is to be built and is subject to a long-term lease.


CERTIFICATION

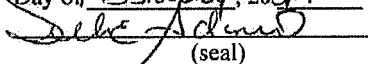
Robert Caulfield (name of Chief Executive Officer of applicant submitting application) deposes and says that he or she is the CEO (title) of Active Retirement Community, Inc., the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; that the same is true to his or her knowledge.

Deponent further says that the reason this verification is being made by the Deponent and not by Active Retirement Community, Inc. (applicant name) is because the said applicant is a corporation. The grounds of Deponent's belief relative to all matters in the said application which are not stated upon his or her own personal knowledge, are investigations which Deponent has caused to be made concerning the subject matter of this application as well as information acquired by Deponent in the course of his or her duties as an officer of and from books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "Applicant"), Deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Local Development Corporation (hereinafter referred to as the "LDC") acting on behalf of the Applicant in connection with this application and all matters relating to the issuance of bonds. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act 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 Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the LDC, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond counsel for the LDC and fees of general counsel for the LDC. Upon successful conclusion and sale of the required bond issue, the Applicant shall pay to the LDC an administrative fee set by the LDC not to exceed an amount equal to 1% of the total project cost financed by the bond issue, which amount is payable at closing. The LDC's bond counsel's fees and the administrative fee may be considered as a cost of the project and included as part of any resultant bond issue.

Deponent further certifies that he or she has read the Payment in Lieu of Tax (PILOT) Policy of the Town of Brookhaven Local Development Corporation and will agree to the terms thereof.


Chief Executive Officer of Company

Sworn to me before this 4th
Day of February, 2019

(seal)

SILKE ADAMO
Notary Public, State of New York
No. 01AD6243809
Qualified in Suffolk County 19
Commission Expires 06/27/2019

**TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION (LDC)
APPLICATION FOR FINANCIAL ASSISTANCE**

INSERT - 1

**Section II. B.
(Number and Square Feet of Each Building)**

	<u>Existing</u>	<u>New</u>	<u>Total</u>	<u>Renovation of Existing Spaces</u>
Assisted Living	46,267	-	46,267	14,022
Assisted Living - Memory Care	-	28,520	28,520	-
Skilled Nursing	35,626	4,917	40,543	9,910
Community Center	40,713	22,802	63,515	25,007
Independent Living North	163,043	51,157	214,200	-
Independent Living South	148,832	51,157	199,989	-
Independent Living West	-	11,350	11,350	-
Independent Living Cottages	53,542	-	53,542	-
	<u>488,023</u>	<u>169,903</u>	<u>657,926</u>	<u>48,939</u>

**TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION (LDC)**

APPLICATION FOR FINANCIAL ASSISTANCE

INSERT - 2

**Section III. A.
Project Costs - (\$000)**

Land	\$ -
Building	76,549
Site Work	5,647
Legal Fees	188
Engineering Fees	567
Legal and Financial Charges	4,063
Equipment	2,087
Recording Fees	300
Other (Specify):	-
Other: Architectural Fees	5,823
Other: Marketing Costs	3,765
Other: Professional Fees (Development)	2,460
Other: Pre-Opening Costs	314
Other: Planning Costs	420
Other: Capitalized Interest	9,441
Other: Debt Service Reserve Fund	7,906
Other: Misc.	471
	<u><u>\$ 120,000</u></u>

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION (LDC)
APPLICATION FOR FINANCIAL ASSISTANCE

INSERT - 3

Section III. C.
(Cost Paid or Incurred To Date)

Jefferson's Ferry has estimated that it will pay approximately \$7.0 million in pre-financing expenditures for planning, design, engineering, legal, marketing, and other items associated with completing tasks to secure financing and start construction.

Pre-financing expenditures are planned to be reimbursed to Jefferson's Ferry at closing on financing and are included in Project Costs listed in Section III. A.

Pre-financing expenditures paid as of December 31, 2018 are as follows:

Site Analysis, Planning & Permitting	\$ 69,241
Design & Engineering	927,643
Construction Management & Consulting	38,534
Development Consulting Fees & Expenses	133,333
Planning & Development Analysis	345,293
Marketing	371,482
Legal & Other	41,577
Total	\$ 1,927,103