

## Fee Policy

Application Fee:        Projects under \$10,000,000 - \$2,500  
                              Projects over \$10,000,000 - \$5,000

Straight Lease Transaction: 1.25% of hard costs plus 1% of savings (PILOT, estimated sales tax, mortgage recording)

Unconnected Campus: All newly acquired buildings shall be subject to a 1.25% IDA transaction fee. Existing buildings shall be charged .75% of fair market value plus 1.25% on equipment and renovations plus 1% of combined savings (PILOT, estimated sales tax, mortgage recording)

Deals involving leases and reups: A list of six (6) recent deals similar in size will be created. The average fee of that list shall be divided by the average square footage of that list. The average per square foot calculation shall be multiplied by the building's square footage reups plus 1% of savings plus 1.25% on equipment and renovations.

Large developments over \$30 million:

1% first \$10 million

$\frac{3}{4}$  of 1% between 10 – 20

$\frac{1}{2}$  of 1% between 20 – 30

$\frac{1}{4}$  of 1% over 30

Plus .75% of savings

Bond Schedule

$\frac{3}{4}$  of 1% first \$15 million

$\frac{1}{2}$  of 1% between 15 – 25

$\frac{1}{4}$  of 1% between 25 – 35

$\frac{1}{10}$  of 1% over 35

Ability to negotiate: The CEO shall have the ability to negotiate the fee. The CEO may not extend greater than a 20% discount on the fee without Board consent.

Legal Fee: Applicant is responsible for all legal fees at closing, which include both local and project counsel.

Administrative Fee: \$2,500 everything else (termination of lease, mortgage modifications); \$5,000 – amendments to lease (sales tax extensions, PILOT schedule changes); and the cost of legal advertising in Newsday

Housing Projects Independent Study Fee: All potential housing projects are required to cover the entire cost of any independent third party studies commissioned in relation to the potential project.

#### CERTIFICATION FOR BOND

Upon successful conclusion and sale of the required bond issue, the applicant shall pay to the Agency an administrative fee set by the Agency 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 Agency's Bond Counsel's fees, its general counsel's fees and the administrative fee may be considered as a cost of the project and included as party of any resultant bond issue.

#### CERTIFICATION (Straight Lease)

The applicant shall pay to the Agency an administrative fee set by the Agency not to exceed an amount equal to 1 % of the total project cost, which amount is payable at closing.

Annual compliance: Projects over \$10,000,000 must pay an annual compliance fee of \$1,000 for the duration of the PILOT.

# Fee Policy Addendum for Town of Babylon Industrial Development Agency

## 1. Introduction

This Fee Policy Addendum outlines the updated fee structure for new types of projects seeking assistance from the Town of Babylon Industrial Development Agency (IDA) Board of Directors. In addition to the existing fee policy, this addendum addresses the fee structure for projects involving equipment investment and industrial condo space construction.

## 2. Fee Structure

### 2.1 Acquisition and Hard Costs Fee:

- For projects involving the purchase of a building and associated investments, the IDA fee remains at 1.25% of acquisition and hard costs.

### 2.2 Savings Fee:

- The IDA fee for savings remains at 1% of the total savings realized from the IDA's assistance, including real property taxes, sales and use taxes, and mortgage recording tax savings.

### 2.3 New Projects Fee Structure:

#### 2.3.1 Equipment Investment:

- For projects solely involving equipment investment and availing the sales tax break, the IDA fee will be 1% of the equipment purchase plus 1% of savings.

#### 2.3.2 Industrial Condo Space Construction:

- For projects involving the construction of industrial condo space, the fee structure will vary based on the stage of development and tenant occupancy.
  - **Initial Construction Fee:** The IDA will collect a fee equivalent to 1.25% of acquisition and hard
  - **Tenant Occupancy Fee:** As tenants move into the space and avail themselves of real property and sales tax abatements, the IDA will collect an additional fee from each tenant. This fee will be equivalent to 1% of the savings realized from the IDA's assistance to the tenant plus an established flat fee per unit.

### **3. Conclusion**

This Fee Policy Addendum will need to be approved by the Town of Babylon Industrial Development Agency Board of Directors and shall be effective immediately. All future projects seeking assistance from the IDA shall adhere to this updated fee structure.