COUNTY OF ORLEANS INDUSTRIAL DEVELOPMENT AGENCY

ADAPTIVE REUSE POLICY

ARTICLE I
Enactment

The County of Orleans Industrial Development Agency ("COIDA") hereby adopts this Adaptive Reuse Policy (this "Policy") effective as of April 13, 2018.

ARTICLE II
Background

COIDA's core mission includes the development, expansion and retention of business and employment opportunities, economically sound commerce and viable industry in towns, villages and hamlets within the County of Orleans, New York (the "County"). One factor limiting the County's economic development, however, is a lack of commercially suitable building structures and office space, including a number of outdated buildings and sites that are vacant, dilapidated, underutilized or otherwise inappropriate for commercial use in their present condition. Such buildings or sites can create public safety and environmental concerns, contribute to slum and blight, and decrease the value of real estate in the County. They can also place financial burdens on local municipalities when those municipalities take title to the buildings or sites due to abandonment or tax delinquency.

COIDA has adopted this Policy to promote the redevelopment and reuse of existing but underutilized buildings and sites. By incentivizing developers and local businesses to engage in *Adaptive Reuse*—the process of adapting old structures or sites for new purposes—COIDA will help attract business and economic development to the County while utilizing and repurposing the existing infrastructure.

ARTICLE III
Adaptive Reuse Projects

Adaptive Reuse Projects aim to create new economic activity in existing buildings while maintaining a neighborhood's fabric. The process involves reusing an old site or building for a purpose other than what it was built or designed for. For example, developers may adapt or redevelop old or blighted commercial structures for a mixed use of business, retail, housing and/or commercial use.

By their very nature, Adaptive Reuse Projects may present issues that are uncommon in traditional IDA project development. Developers may incur higher costs, such as environmental remediation and building code issues, and decreased real estate values may not be consistent with and may not support initial development costs. Also, while COIDA's standard policy and State law focus on the end use(s) of a project, a fully-defined end use of an Adaptive Reuse

Project may be difficult to immediately identify when COIDA is first considering whether to extend IDA benefits to a proposed project under this Policy.

This Policy represents a shift in traditional IDA analysis of whether and when a project is appropriate for IDA benefits, which, as a result, may result in a proactive approach in building and site development by focusing on targeted buildings and neighborhoods in the County. COIDA projects that its activities under this Policy may create a number of benefits to the County, including: (i) elimination of slum and blight in the County; (ii) promotion of infill development and green redevelopment strategy; (iii) and helping to generate new and sustained economic growth in the County.

ARTICLE IV
Housing Development

Market rate and/or subsidized housing may be a component of Adaptive Reuse Projects incentivized by COIDA, provided that such projects are *commercial projects* within the meaning of Article 18-A of the New York General Municipal Law, as amended (the "Act"). Although the term *commercial project* is not defined by the Act, it is generally understood to be a project that promotes employment opportunities and prevents economic deterioration in a geographical area served by an IDA. COIDA's determination of whether an Adaptive Reuse Project with a housing component is eligible for IDA benefits will be made on a case-by-case basis upon consideration of all of the facts relevant to the proposed project, including the factors set forth in Article V of this Policy.

ARTICLE V
Eligibility Criteria

COIDA shall consider providing benefits to a proposed Adaptive Reuse Project only to the extent that the project is an eligible project under the Act. In determining whether a proposed Adaptive Reuse Project is eligible for IDA benefits under this Policy, COIDA will consider any or all of the following factors, none of which are determinative:

i. Whether the structure or site is at least twenty (20) years old;

ii. Whether the structure or site presents functional challenges to redevelopment;

iii. Whether the structure or site has been vacant or underutilized for a minimum of three (3) years[1];

iv. Whether the structure or site is generating significant rental income[2];

[1] *Underutilized* means (i) a minimum of 50% of the rentable square footage of the structure or site is vacant, or (ii) the structure or site is being utilized for a use for which it was not designed or intended for.
[2] *Significant rental income* means the rental income from the structure or site exceeds 50% of the market rate income average for that property class.

v. Whether there is evidence of a financial obstacle to development of the structure or site without COIDA or other public assistance[3];

vi. Demonstrated support of local government entities;

vii. Whether the structure or site presents a public safety hazard and/or environmental remediation costs;

viii. Whether the structure or site presents significant costs as a result of building code issues associated with new development, making the project financially unfeasible;

ix. Whether the structure or site is presently delinquent in real property tax payments;

x. The proximity of the structure or site to a distressed census tract or an area of extensive redevelopment; and

xi. Such additional criteria as may be developed and considered by the COIDA Board of Directors from time to time.

ARTICLE VI
Amendments

COIDA may amend this Policy from time to time by the affirmative vote of a majority of the Board of Directors.

[3] *Financial obstacle to development* means that cash flow projections documenting costs, expenses and revenues indicate a below average return on investment as compared to regional industry averages.