ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY AND GUIDELINES
(Revised _____, 2026)

The general policy of the Orange County Industrial Development Agency ("***Agency***") is to grant applicants real property tax abatements (or exemptions) and exemptions from sales, use and mortgage recording taxes as described below and in accordance with the Agency's Project Approval Policy. The Agency may grant additional benefits outside the guidelines set forth herein on a case-by-case basis for a project expected to have a significant economic impact on Orange County as determined by the Agency at its discretion and in accordance with the with the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "***Enabling Act***").

This written policy shall constitute the Agency's uniform tax exemption policy ("***UTEP***") and shall provide guidelines for the granting of real property, mortgage recording, and State and local sales and use tax exemptions for qualified projects (a "***Project***") undertaken in accordance with the Agency's Project Approval Policy (as same may be amended from time to time), this UTEP policy and the Enabling Act.

A. Real Property Tax Abatements.

If the Project qualifies, and the Agency approves exemptions from certain real property taxes, the Agency and the project owner shall enter into a payment in lieu of taxes ("***PILOT***") agreement, which describes and provides for payments in lieu of taxes to the taxing jurisdictions. Project owners shall pay to the Agency, or its designee, the amount calculated pursuant to the applicable PILOT agreement according to a schedule approved by the Agency. Unless otherwise agreed by the Agency, with written consent from the affected taxing jurisdictions, payments made under the PILOT Agreement shall be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involved in the project. The approved schedule under the PILOT agreement shall take effect during the tax year immediately following the taxable status date.

The abatement provided applies to value added by construction or renovation upon the existing parcel involved; and unless otherwise approved by the Agency, the abatement does not apply to the current land valuation.

Projects seeking a PILOT agreement must fall into one of the following project categories:

(i) **Standard**: Projects which may be eligible under the Agency's Project Approval Policy that are determined to be of importance to the local economy by the Agency but do not fall into any of the other categories.

(ii) **Priority Industry**: Projects must be engaged in a priority industry or NAICS sector, as identified in the Agency's Project Approval Policy.

(iii) **Priority Commercial & Residential**: Mixed use and residential projects that consent to incorporate and rent, either: (i) at least 20% of the project's residential units to tenants earning at or below 80% of the Area Median Income (AMI) rent limit rates for the location in which the project is located, as designated by the US Department of Housing and Urban Development at the time of closing; or (ii) at least 10% of the project's residential units to tenants earning at or below 60% of the current local AMI.

(iv) **Job Creation**: Any project that retains or creates at least one hundred (100) full-time equivalent quality jobs providing industry leading salaries and related benefits (healthcare, retirement, education, for example).

Additional Abatement: If a project within any of the foregoing is also located within a historically designated or protected site (meeting minimally the requirements of Section 444-a of the NYS Real Property Tax Law), as well as properties eligible to be listed, or listed individually, or as part of a district on the National Register of Historic Places; or is a demonstrated brownfield site, such project will receive an additional five (5) years of real property tax abatement as reflected below.

PILOT Deviations: The Agency may deviate, on a case-by-case basis, from the Agency's policies described above for a project expected to have significant impact in the locality where the project will be located, or as otherwise determined by the Agency as warranting enhanced financial assistance. Any deviations from this Policy shall require a written notification by the Agency to the chief executive officer of each taxing jurisdiction in advance of the meeting at which the proposed deviation will be considered all in accordance with the Enabling Act.

PILOT Abatement Schedules for Project Categories:

ABATEMENT YEAR	**STANDARD % of Abatement**	STND W/ add'l 5 yr Abatement	**PRIORITY INDUSTRY % of Abatement**	PRIORITY INDUSTRY add'l 5 yr Abatement	**PRIORITY COMM & RES % of Abatement**	PRIORITY COMM & RES W/ add'l 5 yr Abatement	**JOB CREATION % of Abatement**	JOB CREATION w/ add'l 5 yr Abatement
1	100%	100%	95%	100%	100%	100%	100%	100%
2	90%	90%	90%	95%	95%	95%	100%	100%
3	80%	80%	85%	90%	90%	90%	95%	100%
4	70%	70%	80%	85%	85%	85%	95%	95%
5	60%	65%	75%	80%	80%	80%	90%	95%
6	50%	60%	70%	75%	75%	75%	85%	85%
7	40%	55%	65%	70%	70%	70%	80%	85%
8	30%	50%	60%	65%	65%	65%	75%	75%
9	20%	45%	55%	60%	60%	60%	70%	75%
10	10%	40%	50%	55%	55%	55%	65%	70%
11		35%	40%	50%	50%	50%	60%	70%
12		30%	30%	45%	45%	45%	55%	65%
13		25%	20%	40%	35%	40%	50%	65%
14		20%	10%	35%	25%	35%	45%	55%
15		10%	10%	30%	10%	30%	40%	50%
16				25%		25%	35%	45%
17				20%		20%	30%	40%
18				15%		15%	25%	35%
19				10%		10%	20%	30%
20				5%		5%	10%	25%
21								20%
22								15%
23								10%
24								5%
25								5%

Each of the foregoing abatement periods shall be preceded by a length of time equivalent to the construction period for the project as set forth in the application for financial assistance; but in no event shall the construction period exceed three (3) years. During the construction period, the company shall continue to pay real property taxes as if privately owned.

Notwithstanding the execution of any PILOT agreement, no project shall be exempt from special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district and library district charges) levied or assessed against the property, or shall the project be exempt from any water or sewer charges, all of which are to be paid in full in accordance with normal billing practices

For certain projects that would otherwise qualify for the Agency's Standard abatement schedule, the Agency may, in its sole discretion based upon factors considered under its Project

Approval Policy, elect to provide a real property tax abatement schedule equivalent to NYS Real Property Tax Law Section 485-b (as reflected on **Exhibit "A"** attached hereto) as opposed to the Standard Schedule.

For applications received for warehouse projects after November 1, 2026, the Agency shall only enter into a PILOT Agreement if the real property tax abatement schedules are the equivalent to the NYS Real Property Tax Law Section 485-b 10-year abatement schedule as depicted in Exhibit "A". However, if a warehouse project affects multiple taxing jurisdictions, the Agency shall not provide property tax abatements that affect taxing jurisdictions that have opted out of Section 485-b. This paragraph shall not apply to any applications for warehouse projects that are received by the Agency before November 1, 2026.

At the discretion of the Agency, an appraisal may be required of the applicant if the parties disagree on either the initial or ending property values.

B. Sales and Use Tax Exemptions.

(i) Purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services are made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e., certificate of occupancy), or such other period of time as approved by the Agency. Operating and maintenance expenses of projects are not incurred as agent of the Agency, and no sales tax exemption is provided thereof.

(ii) All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required, an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the General Municipal Law.

(iii) The Agency shall comply with New York State General Municipal and any other applicable law requiring recapture of sales and use tax exemptions and in accordance with the Agency's policies.

C. Mortgage Recording Tax Exemptions.

(i) The Agency's Policy is to permit mortgage recording tax exemptions on all project-related financing to the full extent permitted by New York State Law.

(ii) The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings (eg. second mortgages on the project to secure subordinated indebtedness of the project applicant, or re-financings of existing mortgages.) In determining whether to permit such exemptions on non-project related financing, 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 the employment and the economic condition of the areas in which the facility is located.

D. Amendments.

The Agency, by resolution of its members and upon compliance with all applicable laws, may amend or modify the foregoing policy from time to time as they determine.

E. Effective Date.

This Uniform Tax Exemption Policy shall be effective as of _____ and it shall apply to all projects for which the Agency adopts resolutions to undertake and provide financial assistance to a project after the effective date of this policy and to any project that may be re-induced by subsequent Agency resolution in order to obtain the benefits provided herein. Unless a new resolution is sought, any project for which financial assistance was previously awarded, but where the project has not yet closed on the financial assistance, and provided it has been no more than one year since the Agency adopted such resolutions, then the UTEP in existence immediately preceding the effective date of this UTEP shall apply.

EXHIBIT "A"

ABATEMENT YEAR	485b equivalent % of Abatement	485b equivalent w/add'l 5 yr Abatement
1	50%	50%
2	45%	45%
3	40%	40%
4	35%	35%
5	30%	35%
6	25%	30%
7	20%	30%
8	15%	25%
9	10%	25%
10	5%	20%
11		20%
12		15%
13		10%
14		5%
15		5%