

**VICTORY MILLS
42 GATES AVENUE
VILLAGE OF VICTORY, TOWN OF SARATOGA
SARATOGA COUNTY, NY**



PREPARED BY:



DECEMBER 2018

I. PROJECT INFORMATION

Victory Mills (the “Project”) is located at 42 Gates Avenue, Village of Victory, Town of Saratoga, Saratoga County, New York. The Village of Victory is situated 10 miles east of the City of Saratoga Springs and 4 miles west of Greenwich. The Project is located right on the border of the Village of Schuylerville (Town of Saratoga) and is within walking distance of stores, restaurants and other local community services.



The existing structure is a 5-story, approximately 230,000 square foot mill, which is listed on the National Register of Historic Places. The Victory Milles factory building is historically and architecturally significant as a rare surviving example of early twentieth century industrial construction in the village of Victory. Constructed in 1918, the building represents the height of industrial development in the village, and was the culmination of the Saratoga Victory Manufacturing Company’s milling operations that began onsite almost 75 years earlier. The mill was the reason for the name, settlement, incorporation, growth and prosperity of the village. It dominated the local economy and subsequent manufacturing operations onsite remained a major employer in the area well into late twentieth century. The building is a significant example of a “daylight factory,” a cast concrete building with reinforcing members – designed to be practical, strong, durable and fire resistant.



The existing reinforced concrete and brick structure will be redeveloped and converted into 160 residential rental units comprised of 112 one-bedroom units, 47 two-bedroom units and one two-bedroom superintendent unit. The total residential square footage is approximately 124,800 square feet.

| Distribution of Total Units: | Total | % of Total |
|-------------------------------------|--------------|-------------------|
| One Bedroom | 112 | 70% |
| Two Bedroom | 47 | 29% |
| Superintendent Unit | 1 | 1% |
| Total Units | 160 | 100% |



The Project's amenities will include a community room, laundry facilities, and ample off-street parking. The 6.5 acres surrounding the Project will be designed with and to include passive recreational areas and walking trails along the Project's Fish Creek waterfront. A barbeque and children's playground will also enliven the Project's outdoor space.

No current regulatory restrictions exist on the Project site.

II. PROJECT DESIGN AND SCOPE OF WORK

The Project consists of the adaptive reuse of an existing 5-story, reinforced concrete and brick structure that was constructed in 1918. The total residential and common area square footage is approximately 230,000 square feet. The Project will be equipped with an elevator and ample off-street parking will be provided to the residents. The Project does not contain any commercial space. The residents are responsible for electricity while the owner will provide gas, common area electric, and water and sewer.

The existing structure will be creatively converted into 160 one- and two-bedroom townhouse style large duplex apartments. The units will boast floor-to-ceiling mill-style windows, streaming light into each unit. The large windows will offer water views of the nearby river. Each townhouse apartment will contain two levels of living space with

bedrooms and bathrooms on the upper level and kitchens, living rooms and bathroom space below on the main entry level.



The Project is situated on 6.5 acres of land. The grounds will provide passive recreational areas, walking trails, a barbeque area and a children’s playground.

III. LAND INFORMATION

The Project’s site is occupied by the existing historic mill structure that will be adaptively reused as affordable housing as a result of the proposed transaction.

The Project is currently owned by Uri Kaufman as Riverview Realty LLC. Regan Development Corp. (“Regan”) will purchase the site from Mr. Kaufman. Regan entered into a Memorandum of Understanding (“MOU”) with Riverview Realty LLC dated May 11, 2018. The MOU stipulates that Regan will be the developer responsible for all aspects of the Project while Mr. Kaufman will be included in the ownership structure and will receive a portion of the developer fee.

The proposed future owner is a newly formed New York limited liability company created by Regan Development Corp – tentatively Victory Mills, LLC. Victory Mills, LLC will purchase the Project from Riverview Realty LLC at construction closing (the “Owner” or “Borrower”). The

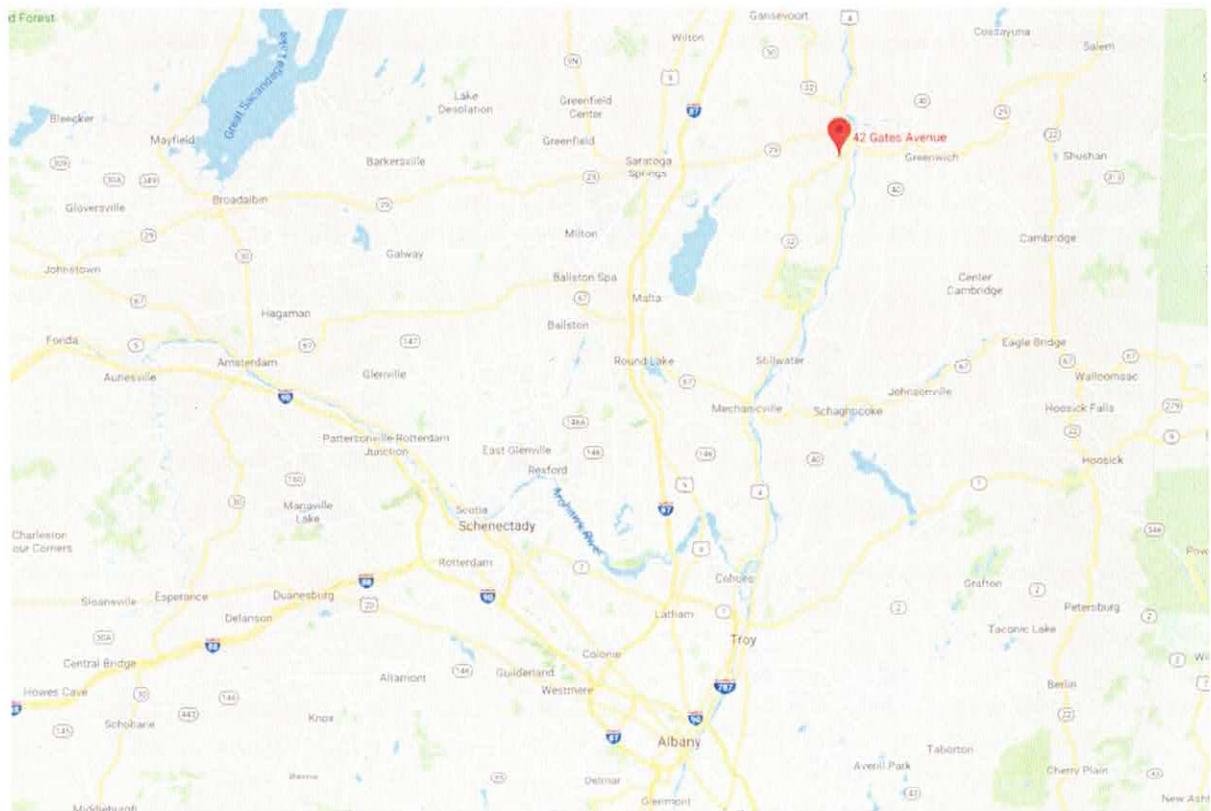
Managing Member of the Owner (with 0.01% ownership) will tentatively be named Victory Mills MM LLC. The Investor Member (with 99.99% ownership) will be an entity formed by the tax credit syndicator (to be selected). The Investor Member neither operates the Project nor does it receive any cash flow.

The Project has no existing debt.

Regan and Mr. Kaufman are currently working to obtain Planning Board Approval. The Project will also apply for a Payment in lieu of Taxes (“PILOT”).

IV. PROJECT LOCATION AND MARKET INFORMATION

The Project is located along Gates Avenue in the Village of Victory, Saratoga County, New York. The Project is in a small community which is situated 5 miles to the west of Greenwich and 10 miles to the east of the City of Saratoga. The Project’s site is just one mile south of the Village of Schuylerville (Town of Saratoga).



Gates Avenue (Route 32) extends in a north/south direction at the Project site, and connects with Schuylerville to the north and turns rural and agricultural in character to the south.

Within the village, Route 29 extends from east to west connecting with Greenwich and the City of Saratoga.

Shopping/Commercial Conveniences

The Village of Victory is a small community with few commercial uses, including the Fire Hall, municipal offices, the Victory Mills Post Office, and several commercial offerings, however the predominate use is residential. The Village of Schuylerville (one mile north of the Project's site) offers the district school buildings, retail uses along Broad Street including restaurants, a branch bank, gift shops, and local retail uses. There is a gas station and convenience store as well. Schuylerville also offers community services such as places of worship and the library. In the Village of Greenwich (approximately 4-5 miles to the east) there are larger retail uses including a CVS Pharmacy, Hannaford Grocery Store, and other local retailers.

Schools

The Schuylerville Central School District offers elementary, middle and High School levels at the main campus along Spring Street (Route 29). The school district is highly ranked, and rated among the top 200 school districts in New York State.

Recreational

Fort Hardy Park is in the Village of Schuylerville and along the Hudson River. Schuylerville contains many historic buildings having been the site of the Battle of Saratoga in 1777, including the Saratoga Monument, General Schuyler House, and Old Saratoga Reformed Church.

Medical Facilities

The Greenwich Regional Medical Center is located 4.7 miles to the east of the Project's site. Local practitioners' offices are located in Schuylerville and Greenwich.

Transportation Linkages

There is no central bus system in Victory, Schuylerville or Greenwich. Access to the City of Saratoga is from Route 29, which connects New York State 87.

A market study (the source of much of the information above) was conducted by GAR Associates LLC in June 2016. At that time, other affordable developments were primarily located in Saratoga Springs and Glens Falls and not in or around Victory, Schuylerville or Greenwich. The market study indicates a strong demand for affordable and mixed-income housing developments targeting a workforce family renter population. The market study indicates a low capture rate which is indicative of strong project support.

V. OWNERSHIP STRUCTURE AND DEVELOPMENT TEAM

The proposed future owner is a newly formed New York limited liability company created by Regan – tentatively Victory Mills, LLC. The Managing Member of the Owner (with 0.01%

ownership) will tentatively be named Victory Mills MM LLC. The Investor Member (with 99.99% ownership) will be an entity formed by the tax credit syndicator (to be selected). The Investor Member neither operates the Project nor does it receive any cash flow.

Regan has gathered an all-star development team to bring Victory Mills to life. This same team recently completed The Century Sunrise redevelopment project in Johnson City. Similar to Victory Mills, Century Sunrise involved the adaptive reuse of historic industrial buildings. Regan and the team recently completed Century Sunrise – below are a few pictures. The team envisions a similar future for Victory Mills.





Developer: Regan Development Corp.

Larry Regan is President of The Regan Development Corporation, a family run business that has developed over \$384 million worth of residential and commercial real estate and affordable housing developments over twenty-five (25) years throughout New York, New Jersey and Connecticut. The firm's projects focus on community improvement through residential opportunities for young working families and senior citizens and commercial opportunities. Regan Development Corporation maintains long-term ownership in the majority of projects thereby ensuring that the high standard established during construction is maintained for the life of a development.

General Contractor: Affordable Housing Concepts, LLC

Affordable Housing Concepts, LLC ("AHC") was founded in 1973 by Keith H. Libolt and Phillip Jannotti. Back then the focus was primarily on structural masonry, construction and renovation work. In five short years, the business focus expanded to home building, condominium projects, light commercial space, and light industrial flex and office space. In 1989, AHC re-evaluated the firm's focus and began working on smaller-sized urban affordable housing projects. AHC's portfolio expanded and the firm built lasting relationships working with HUD, FHLB, NYS HCR, AHC Funds, NYS HFA, OCCD, CDBG Funds, and RECAP. Over the last few years, 70% of AHC's annual volume is in development and construction of workforce and senior housing.

Architect: Coppola Architectural, P.C.

Coppola Associates was established in 1989 by Principal Anthony J. Coppola, R.A., LEED AP BD+C. The firm works on a range of design projects, including, but not limited to, new homes, office buildings, retail buildings and plazas, multifamily dwellings, and historic preservation. The firm specializes in complete service to clients, helping clients through their projects from start to finish. The firm's familiarity with building code and municipality requirements ensures successful results at Planning Board, Zoning Board, and Architectural Review Board meetings.

Management Company: Interstate Realty Management Company

Interstate Realty Management Company provides exceptional property management to a diverse range of affordable and mixed-income communities. With a nationwide portfolio valued at \$1.5 billion, Interstate Realty Management Company's long-term success can be credited to the firm's focus on best practices, expert procedures and a commitment to providing residents with a great place to call home.

Consultant: Smith & Henzy Advisory Group, Inc.

Smith & Henzy was founded by Darren Smith and Tim Henzy in 2014 as a financial and development consulting company providing support to nonprofit organizations and for-profit developers to plan, implement, and complete their affordable development projects. Smith & Henzy has successfully assisted in the development of 3,000 apartments in the last four years including new construction, preservation, supportive housing, and the redevelopment of public housing. Smith & Henzy through its affiliated companies currently owns and operates over 600 units of affordable housing in New York and Florida.

VI. CONTACT INFORMATION

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