

**CITY OF MOUNTY VERNON
INDUSTRIAL DEVELOPMENT AGENCY**

**RECAPTURE, SUSPENSION OR DISCONTINUANCE OF
FINANCIAL ASSISTANCE POLICY**

The City of Mount Vernon Industrial Development Agency (the "Agency") reserves the right to annually review project performance and determine if a project meets the obligations required and stated in the Agency approval and project agreements. In consideration for the financial assistance provided a project, if there shall occur Recapture Event (as defined below) the Agency may, at its sole discretion, recapture the value of any and all exemptions from taxation granted with respect to a project as a return of public benefits conferred by the Agency.

Recaptured Benefits shall mean all direct monetary benefits, tax exemptions and abatements and other financial assistance, if any, derived solely from the Agency's participation in the project, including, but not limited to, mortgage recording tax exemption; sales and use tax exemption, real property tax abatements.

Recapture Event shall include, but are not limited to any of the following events:

- (i) The occurrence and continuation of an "Event of Default" as defined in the project documents; or
- (ii) The project shall cease to be a "Project" within the meaning of the Act through the act of omission of the company; or
- (iii) A company receives sales and use tax savings in connection with property or services not authorized by the Agency as part of the project; or
- (iv) A company receives sales and use tax savings in connection with the project in excess of the maximum amount of sales and use tax savings approved by the Agency; or
- (v) A company has made a material false or misleading statement, or omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, on its application for financial assistance; or
- (vi) Failure of a company to file a copy of the Form ST-340 with the Agency; or
- (vii) Failure of the company to create or cause to be maintained the number of full-time equivalent ("FTE") jobs at the project as required, which failure is not reflective of the business conditions of the company or the subtenants of the company, including, without limitation, loss of major sales, revenues, distribution or other adverse business developments and/or local, national or international economic conditions, trade issues or industry wide conditions.

Non-Compliance Process and Board Actions:

Upon the declaration of a Recapture Event, the Agency shall follow its Policy for the Suspension and Discontinuance of Financial Assistance. Decisions to keep benefits in place, reduce, terminate, or recapture financial assistance will be made by the Agency Board.

Suspension of Financial Assistance: At the sole discretion of the Agency Board, it may consider suspension of financial assistance as an appropriate action upon the occurrence of a Recapture Event.

Reduction of Financial Assistance: At the sole discretion of the Agency Board, it may consider a reduction in financial assistance as an appropriate action upon the occurrence of a Recapture Event.

Termination of Financial Assistance: In addition to the typical reasons why the Agency may act to terminate financial assistance such as, closure, change of use, change of ownership etc., the Agency Board may elect to terminate any ongoing financial assistance to a company. Reasons for termination should be explicit and may include the continuation of a Recapture Even, including failure to comply with ongoing reporting or compliance requirements of the Agency.

Recapture of Financial Assistance: The Agency Board may take action to recapture a portion or all of the financial assistance provided to a company. Actions to recapture shall be made by decision of the Agency Board. In the event the Agency is successful in recapturing financial assistance, such funds shall be returned in accordance with the Agency's Return and Distribution of Recapture Benefits Policy.

Adopted this 10th day of March, 2020
by the City of Mount Vernon Industrial Development Agency