

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 21, 2018, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: Michael Frame, Steven Thompson, Rickey T. Brown, Kathleen Murphy, Kenneth Kinsey

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Meghan Ryan, Esq., Judith DeLaney, Susan Katzoff, Esq., Debra Ramsey-Burns; Others Present: Lauryn LaBorde, Aggie Lane, Mitch Latimer, Mark Olsen, Bob Wilmott, Linda Malik, Rachel May, Gwen Cheffin, Lew Thomas, Mel Menan, Peter McCarthy, Ryan Benz, Pete King, Mike Irwin, Charlie Pierce-El, Emanuel Henderson, Mary Traynor, Louise Poindexter, Kayla Kelchian, Rich Puchalski, Charlie Wallace, Dave Nutting, Scott Gerharz

The following resolution was offered by Rickey T. Brown and seconded by Kathleen Murphy:

**RESOLUTION DESCRIBING THE ADDITIONAL
FINANCIAL ASSISTANCE REQUESTED BY THE
COMPANY IN CONJUNCTION WITH A COMMERCIAL
PROJECT AND AUTHORIZING A PUBLIC HEARING
WITH RESPECT THERETO**

WHEREAS, the City of Syracuse Industrial Development Agency (the "*Agency*") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "*State*"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "*Act*"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant "financial assistance" (as defined in the Act) in connection with the acquisition, reconstruction, renovation and equipping of one or more "projects" (as defined in the Act); and

WHEREAS, by application dated October 18, 2017 (the "**Application**"), 321 South Salina Street, LLC (the "**Company**"), requested the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition of an interest in approximately 6,172 square feet of real property located at 321 and 323 South Salina Street improved by two existing vacant buildings; namely, an approximately 17,138 sq. ft. five (5) story building at 321 South Salina Street (the "**321 Building**") and an approximately 19,895 sq. ft. five (5) story building at 323 South Salina Street (the "**323 Building**" and together with the 321 Building, collectively the "**Buildings**"), all in the City of Syracuse, New York (the "**Land**"); (ii) the reconstruction and renovation of the 321 Building for mixed-use to contain approximately 11,425 square feet of residential space and approximately 2,856 sq. ft of commercial space; and the reconstruction and renovation of the 323 Building for mixed-use to contain approximately 13,263 square feet of residential space and approximately 3,316 sq. ft of commercial space; such that the Buildings will contain approximately 16 apartments (in the aggregate), common areas, a gym as well as the commercial space used for, among other things, a restaurant, all located on the Land (collectively, the "**Facility**"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "**Equipment**" and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the "**Original Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, renovation, equipping and completion of the Project Facility; and the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on January 16, 2018 pursuant to Section 859-a of the Act, notice of which was originally published on January 4, 2018, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated January 3, 2018; and

WHEREAS, a resolution was adopted November 21, 2017 (the "**SEQRA Lead Agency Resolution**") classifying the Project as a Type 1 Action and declaring the intent of the Agency to be lead agency for the purposes of a coordinated review pursuant to SEQRA; and

WHEREAS, by resolution adopted January 16, 2018 (the "**SEQRA Resolution**"), the Agency determined that the Project will not have a significant effect on the environment; and

WHEREAS, by resolutions adopted January 16, 2018 (the "**Approving Resolutions**"), the Agency undertook the Project and approved the Original Financial Assistance for the benefit of the Project; and

WHEREAS, on or about February 6, 2018, the Agency and the Company closed on the lease transaction for the Project; and

WHEREAS, on or about August 7, 2018 the Company advised of certain unanticipated changes which have significantly impacted the financial pro forma for the Project. As originally proposed, the Company intended to maintain the two historic

buildings as independent buildings which would have benefited from a 485-a exemption under State law. However, a State variance mandates the Company *either*: (i) undertake additional improvements to the separate properties (including but not limited to separate water and sprinkler service) at a cost in excess of \$200,000; or (ii) combine the adjacent buildings into one unit. The additional cost associated with the variance requirements was not included in the Company's budget for the Project. A combination of the buildings will result in the loss of all or part of the 485-a State exemption. As a result, the Project's financial viability is in jeopardy. As such, the Company is requesting the Agency consider and approve additional financial assistance for the benefit of the Project in the form of a fifteen (15) year payment in lieu of taxes agreement (the "*Additional Financial Assistance*"); and

WHEREAS, the Agency has not approved the granting the Additional Financial Assistance; and

WHEREAS, the grant of the Additional Financial Assistance is subject to, among other things, the Agency conducting a public hearing pursuant to Section 859-a of the Act.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(A) The Project continues to constitute a "project" within the meaning of the Act;
and

(B) The Additional Financial Assistance contemplated with respect to the Project consists of assistance in the form of exemptions from real property tax.

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Additional Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Project is located.

(3) The Secretary or the Executive Director of the Agency is hereby authorized to and may distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(4) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>AYE</u>	<u>NAY</u>
Michael Frame	X	
Steven Thompson	X	
Rickey T. Brown	X	
Kathleen Murphy	X	
Kenneth Kinsey	X	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

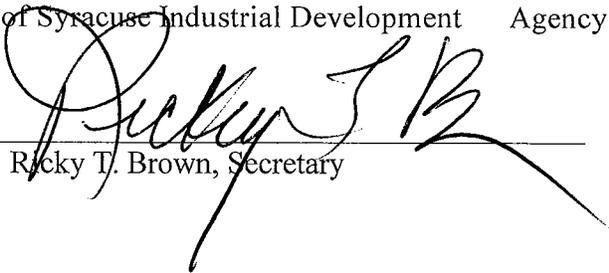
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "*Agency*") held on August 21, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I **FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I **FURTHER CERTIFY** that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 28 day of AUGUST, 2018.

City of Syracuse Industrial Development Agency



Ricky T. Brown, Secretary

(SEAL)