

---

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street, 6<sup>th</sup> Floor  
Syracuse, NY 13202  
Tel (315) 473-3275

---

To: Board of Directors  
City of Syracuse Industrial Development Agency

From: Judith DeLaney

Date: August 16, 2019

Re: Board of Directors Meeting Agenda – August 20, 2019

---

The City of Syracuse Industrial Development Agency will hold a Board of Directors Meeting on **Tuesday, August 20, 2019 at 8:00 a.m.** in the Common Council Chambers, 304 City Hall, 233 East Washington St., Syracuse, N.Y. 13202.

**I. Public Hearings –**

**Syracuse SOMA, LLC (Reopened) – 1**

*Attachment:*

1. *Public Hearing Notice.*

**Alan Byer Auto Sales Inc. (Reopened) – 2**

*Attachment:*

1. *Public Hearing Notice.*

**Gerharz Equipment Inc. (Sage Teall Properties LLC) – 3**

*Attachment:*

1. *Public Hearing Notice.*

**II. Call Meeting to Order –**

**III. Roll Call –**

**IV. Proof of Notice –4**

**V. Minutes – 5**

Approval of Minutes from the April 16, 2019 Board of Directors meeting. (Revised)

Approval of Minutes from the July 20, 2019 Board of Directors meeting. (Under separate cover)

**VI. Committee Report – 6**

Finance Committee – Michael Frame.

**VII. New Business –**

**Syracuse SOMA, LLC – Sue Katzoff – 7**

Approval of resolutions authorizing the Agency to undertake the Project.

*Attachments:*

1. *Cost Benefit Analysis.*
2. *Inducement Resolution.*
3. *PILOT Resolution.*
4. *Final Resolution.*

**Alan Byer Auto Sales Inc. – Sue Katzoff –8**

Approval of both PILOT and Final resolutions relative to the Project.

*Attachments:*

1. *Cost Benefit Analysis.*
2. *PILOT Resolution. (Amended)*
3. *Final Resolution. (Amended)*

**Gerharz Equipment (Sage Teall Properties LLC) – Sue Katzoff – 9**

Approval of a resolution authorizing both an increase in the Sales Tax Appointment approved for the Project and an extension of the appointment until September 30, 2020.

*Attachments:*

1. *Correspondence.*
2. *Supplemental Application.*
3. *Cost Benefit Analysis.*
3. *Resolution.*

**327 Montgomery Street - Judy DeLaney – 10**

Approval of a proposal for appraisal services in an amount not to exceed \$2450.00.

*Attachment:*

1. *Proposal. (Under separate cover).*

**IX. Adjournment –**

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the public hearing held on July 16, 2019 pursuant to Section 859-a of the New York General Municipal Law, will be reopened by the City of Syracuse Industrial Development Agency (the "Agency") on the 20<sup>th</sup> day of August, 2019, at 8:00 a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Syracuse Soma Project LLC, or an entity to be formed (the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition or continuation of an interest in approximately 25,378 sq. ft. of real property improved by two existing buildings totaling approximately 57,300 sq.ft. (the "Existing Buildings"), all located at 214 West Water Street, in the City of Syracuse, New York (the "Land"); (ii) the construction of a 9-story, approximately 113,000 sq.ft. addition to the Existing Buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; an approximately 21,400 sq. ft parking structure including an automated parking lift system to provide 72+/- parking spaces; approximately 90,400 sq.ft. containing 78+/- one-bedroom units and 26+/- two-bedroom units on floors 2-9; all located on the Land (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 real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) 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.

The Company shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons solely with respect to the proposed Financial Assistance to the Company.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, are available for public inspection during the business hours at the office of the Agency located at 201 East Washington Street, 6<sup>th</sup> Floor, Syracuse, New York.

Dated: August 6, 2019

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the public hearing held on April 16, 2019 pursuant to Section 859-a of the New York General Municipal Law, will be reopened by the City of Syracuse Industrial Development Agency (the "Agency") on the 20<sup>th</sup> day of August, 2019, at 8:00 a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Alan Byer Auto Sales, Inc. ("Alan Sales"), Alan I Byer Family Trust (the "Trust"), Stephen Gary Byer ("Byer") and West Genesee Realty Associates, LLC ("Realty" and together with Alan Sales, the Trust and Byer collectively, the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of an interest in: (1) approximately 1.89 acres of improved real property bearing tax map number 108.1-02-19 and commonly referred to as 1232-36 West Genesee Street (also known as 1230 West Genesee Street) ("Parcel 1"); (2) approximately 3 acres of improved real property bearing tax map number 108.1-02-35.1 and commonly referred to as 1232 West Genesee Street (rear) ("Parcel 2"); and (3) approximately 2 acres of improved real property bearing tax map number 108.1-02-20 and commonly referred to as 1288 West Genesee Street ("Parcel 3"), each in the City of Syracuse, New York (collectively, the "Land"); (ii) certain improvements, including but not limited to, an existing approximately 25,820 square foot building located on Parcel 1; an existing approximately 17,000-square foot building located on Parcel 2; and an approximately 34,802 square foot building located on Parcel 3, all of which are served by common driveways, parking, and pedestrian walkways, and all of which comprise the Alan Byer Volvo facility (collectively, the "Improvements"); (iii) the renovation to the Improvements and the Land include, but are not limited to, the interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage, the existing basement, replacement of an area of deteriorating floor slab, refreshed directional pavement graphics and roof replacement (collectively with the Land and Improvements, the "Facility"); (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land, Improvements and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "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 (D) 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.

The Trust and Byer are the fee owners of Parcel 1. Realty is the fee owner of Parcel 2 and Parcel 3.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company.

A copy of the application and any supplements filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, are

available for public inspection during the business hours at the office of the Agency located at 201 East Washington Street, 6<sup>th</sup> Floor, Syracuse, New York.

Dated: August 5, 2019

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 20<sup>th</sup> day of August, 2019, at 8:00 a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

The Agency previously undertook a project (the "Project") at the request of Sage Teall Properties, LLC (the "Company"), consisting of: (A)(i) the acquisition of an interest in approximately 4.5 acres of improved real property located at 220-22 Teall Avenue, in the City of Syracuse, New York (the "Land"); (ii) the renovation of an existing approximately 85,000 square foot building for use in the wholesale and retail sale of foodservice equipment, supplies and design solutions primarily to restaurants and food service operators, including but not limited to the installation of a new roof, lights, windows, HVAC, painting, landscaping and resurfacing of parking lot, all located on the Land (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 real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, renovation, equipping and completion of the Project Facility; and (D) 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.

The Company is the initial owner of the Project Facility.

The Company has requested an increase in the amount of sales tax exemption benefits (the "Additional Financial Assistance"). The Agency will at the above-stated time and place hear all persons with views with respect to the Additional Financial Assistance.

A copy of the application and any supplements filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, are available for public inspection during the business hours at the office of the Agency located at 201 East Washington Street, 6<sup>th</sup> Floor, Syracuse, New York.

Dated: August 5, 2019

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street, 6<sup>th</sup> Floor  
Syracuse, NY 13202  
Tel (315) 473-3275

---

**PLEASE POST**

**PLEASE POST**

**PLEASE POST**

**PUBLIC MEETING NOTICE**

**THE SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

**HAS SCHEDULED**

**A**

**BOARD OF DIRECTORS MEETING**

**FOR**

**TUESDAY AUGUST 20, 2019**

**At 8:00 a.m.**

**IN THE**

**COMMON COUNCIL CHAMBERS**

**304 City Hall**  
**233 East Washington Street**  
**Syracuse, NY 13202**

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street, 6<sup>th</sup> Floor  
Syracuse, NY 13202  
Tel (315) 473-3275

---

Minutes  
Board of Directors Meeting  
Tuesday April 16, 2019

---

**Board Members Present:** Kenneth Kinsey, Kathleen Murphy, Rickey Brown, Steven Thompson.

**Via Tele Conference:** Michael Frame.

**Staff Present:** Honora Spillane, Sue Katzoff, Esq., Judith DeLaney, John Vavonese, Debra Ramsey-Burns.

**Others Present:** Aggie Lane, Anthony Dipeso, Wendy Riccelli, Lauryn LaBourde, Rich Puchalski, Bob Wilmott, Stephanie Pasquale.

**Media:** Rick Moriarty

---

**I. Public Hearing**

**Seneca Armory Associates LLC**

Mr. Thompson opened the Public Hearing at 8:00 a.m. and asked Ms. Spillane to read verbatim the Notice of Public Hearing on the Project. A copy of the notice is attached and included in the minutes.

After Ms. Spillane read the notice, Mr. Thompson asked if anyone in attendance wished to speak in favor of the Project. Anthony Dipeso the owner spoke in favor of the project and provided a copy of his remarks which are here included: *Hello Everyone. My name is Anthony Di Peso and I am one of the owners of the Seneca Building. I grew up in the area and am a graduate of LeMoyne College and understand the significance of Armory Square and downtown Syracuse. You can imagine my excitement upon purchasing this building as we now would own a special part of Armory Square and a location I know very well because of Mully's Bar. Our project The Seneca Building Renovation is the renovation of 19,000 SF on the vacant 2nd and 3rd floors of the building. We are converting the space into 20 apartments. We also just completed renovations to the retail space on Fayette St and signed a commercial long term tenant. Mully's Bar as previously mentioned is also part of our building and currently under a long term lease. Another part of this project is to renovate the vacant retail space in our building on Walton St to be better suitable for a future long term commercial tenant. For 2 years since purchasing the property we tried to market and renovate the upstairs existing office space. Unfortunately, the layout didn't meet modern office space standards and we were left with the only choice of renovating to create apartments as the building is and would continue to be vacant. This renovation will be very costly because the building is currently in the This project will create jobs and boost the economy. Construction will bring close to 100 jobs over a 12-month period. When our vacant space on Walton St is occupied there will be the potential of over 40 new jobs created depending on the potential tenant. Our new apartment renters will help the downtown economy as well. Our demographic is young professionals who will be working, living, and spending their money downtown.*

*We fully believe that with your help with this project it will be a success for everyone involved and for the future of downtown Syracuse. Thank you.*

Mr. Thompson then asked if anyone else wish to speak in favor of the project. No one spoke. Mr. Thompson asked one last time if anyone wish to speak in favor of the project. No one else spoke in favor of the project..

Mr. Thompson then asked if anyone wish to speak in opposition of the project.

Aggie Lane from Urban Jobs Task Force spoke in opposition to the Project. Ms. Lane provided a copy of her remarks which are here included: *Through SIDA, the Urban Jobs Task Force would like the city to begin investing in the people who live here in the city's neighborhoods. One possible way is for developers to spend 20% of the project's construction wages by hiring Syracuse Build trainees. And every percentage missed, pay a percentage of the tax break to a SIDA fund earmarked for Syracuse Build Training. For example, the Seneca Armory's project is hoping to get tax exemptions worth \$121,000. To complete the project, the developers report that they will be paying about \$544,000.00 in construction wages. Twenty percent of those wages would be \$108,825. If the developer only pays 10% or \$54,400 to Syracuse Build trainees they would then pay 10% of the value of their tax exemption (~\$12,000) into a training fund for Syracuse Build. This should not be seen as a penalty. Besides renovating our buildings we need to be investing in the city's human capital. It is only right and fair! Of course, this change will require reporting with the package like LCP Tracker. LCP Tracker would also keep projects honest. I am hearing that the project at 300 Washington, across from city hall, hired construction workers outside of the six- county region, which is not allowed. Without a monitoring package, the city and its people can be taken advantage of. Thank you. I would like to submit my statement into the minutes, hopefully for later consideration by the board.*

Mr. Thompson then asked if anyone else wished to speak against the project.

Mr. Puchalski of Syracuse United Neighbors also spoke in opposition. He expressed concern that the Agency continued to give breaks to downtown properties when the neighborhoods continued to suffer. He noted a number of properties held by the Land Bank continued to boarded up and requested the Agency do something to assist with the problem.

Bob Wilmott who identified himself as a member of the Carpenters Union said he was not speaking for or against the project. Instead he requested the Agency require certified payrolls from Project owners received tax benefits. He said he believed that some Projects were paying under the table wages and hiring out of the six county area.

Mr. Thompson then asked an additional two times is anyone else in attendance wished to speak in opposition to the Project. No one else spoke. Mr. Thompson closed the Public Hearing at 8:15 a.m.

### **Alan Byer Auto Sales Inc.**

Mr. Thompson opened the Public Hearing at 8:15 a.m. and asked Ms. Spillane to read verbatim the Notice of Public Hearing on the Project. A copy of the notice is attached and included in the minutes.

After Ms. Spillane read the notice, Mr. Thompson asked if anyone in attendance wished to speak in favor of the project. No one spoke. He then asked again an additional two times if anyone wished to speak in favor of the project. No one spoke in favor of the project.

Mr. Thompson asked if anyone wished to speak in opposition of the project.

Rich Puchalski of Syracuse United Neighbors spoke in opposition noting the number of vacant Land Bank properties in the neighborhoods. He requested SIDA “spread the wealth around”.

Mr. Thompson then asked an additional two times if anyone else present wished to speak in opposition to the project. No one else spoke.

Mr. Thompson closed the Public Hearing at 8:20a.m.

## **II. Call Meeting to Order**

Mr. Thompson called the meeting to order at 8:20 a.m.

## **III. Roll Call**

Mr. Thompson noted the Board members present and acknowledged Mr. Frame present via teleconference in Albany, NY.

## **IV. Proof of Notice**

Mr. Thompson noted notice of the meeting had been timely and properly provided for both locations.

## **V. Minutes**

Mr. Thompson asked for a motion approving the minutes from the March 19, 2019 Board of Directors meeting.

Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE MARCH 19, 2019 BOARD OF DIRECTORS MEETING.**

## **VI. New Business**

### **Seneca Armory Associates LLC**

Ms. Katzoff noting a Public Hearing had just concluded on the project requested the Board members consider resolutions to approve it. She said the first resolution was for SEQRA and advised the Agency would declare itself as “Lead Agency” and after review determined there was no significant effect on the environment.

There being no discussion Mr. Thompson asked for a motion to approve the resolution. Ms. Murphy made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY**

**APPROVED A RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider an Inducement resolution for the Project. Noting a cost benefit analysis was included in the Board's agenda packet, she said the owner was requesting benefits from the Agency in the form of exemptions from mortgage tax (\$20,813.00) and sales tax (\$100,000.00). There is no request for a PILOT.

Mr. Kinsey asked about how many jobs would be created. Ms. Katzoff responded the Company stated it would be retaining 18 with an additional 17 new jobs to be created.

Mr. Thompson asked for a clarification on the project cost. Ms. DeLaney confirmed the Project cost listed on the cost benefit analysis of \$2,872,400 was the correct number. She noted the number on the executive summary of \$4,025,000 was incorrect as that included the acquisition of the building which is not part of this project.

There being no other questions, Mr. Thompson asked for a motion to approve the resolution.

Ms. Murphy made the motion. Mr. Kinsey seconded the motion. **MR. THOMPSON, MS. MURPHY, AND MR. FRAME VOTED IN FAVOR OF THE RESOLUTION. MR. KINSEY VOTED AGAINST THE RESOLUTION. MR. BROWN ABSTAINED. THE RESOLUTION WAS APPROVED BY A 3 TO 1 VOTE WITH ON ABSTENTION.**

Ms. Katzoff then asked the Board to consider a Final resolution for the project.

There being no discussion, Mr. Thompson asked for a motion to approve the resolution. Ms. Murphy made the motion. Mr. Frame seconded the motion. **MR. THOMPSON, MS. MURPHY, AND MR. FRAME VOTED IN FAVOR OF THE RESOLUTION. MR. KINSEY VOTED AGAINST THE RESOLUTION. MR. BROWN ABSTAINED. THE RESOLUTION WAS APPROVED BY A 3 TO 1 VOTE WITH ON ABSTENTION.**

**Commonspace Warren, LLC**

Ms. Katzoff told the members the Company had advised the Agency of a change in the scope of its Project and was requesting the Board approve a resolution amending the changes. She said the changes included the construction of an additional eleven residential units and the elimination of some planned office space. She noted the cost of the Project was now estimated to \$12,114,112.00. There will be no change in employment numbers. To accommodate the changes the Company is requesting an increase in its mortgage tax exemption and sales tax exemption for a total of \$32,714.00.

Ms. Spillane noted the space was part of the Co-Works space that is filled to capacity each day.

After a brief discussion Mr. Thompson asked for a motion to approve the resolution. Ms. Murphy made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING AN AMENDMENT TO A PROJECT PREVIOUSLY UNDERTAKEN BY THE AGENCY.**

## **Rezone Syracuse Implementations**

Ms. Spillane advised the Board a request had been received from the City of Syracuse to fund a phase of the implementation and marketing of the City's Rezone Syracuse project. She said the Board would be authorizing a contact with Clarion Associates in an amount not to exceed \$80,000.00 to assist in the implementation. She reminded the Board that the Agency's 2019 budget had included a line for this expense.

She then introduced Owen Kerney , the City's Assistant Director of Zoning & Planning to address the Board..

Mr. Kerney the Project leader for Rezone Syracuse said the City and its consultants have been working on the Project for over three years in an effort to update the City's Zoning ordinances to bring them current and "user friendly".

Clarion Associates will work to create an administrative manual, prepare new development applications and provide service to evaluate the ordinance's performance over a period of a year.

After a brief discussion Mr. Thompson asked for a motion to approve the resolution. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING A CONTRACT WITH CLARION ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$80,000.00 TO ASSIST IN THE IMPLEMENTATION OF THE CITY'S "REZONE PROJECT".**

## **VII. Executive Session**

Mr. Thompson asked for a motion to go into Executive session at 8:45 a.m., to discuss legal matters. Mr. Kinsey made the motion. Mr. Brown seconded the motion. . **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN TO EXECUTIVE SESSION AT 9:00 A.M.**

A motion to adjourn from Executive Session was made by Ms. Murphy. Mr. Kinsey seconded. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN FROM EXECUTIVE SESSION AT 9:00 A.M.**

## **VIII. Adjournment**

There being no further business to discuss, Mr. Thompson asked for a motion to adjourn. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN.**

---

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street  
Syracuse, NY 13202  
Tel (315) 473-3275

---

**EXECUTIVE SUMMARY**

**Agenda Item: 7**

**Title: Syracuse SOMA Project LLC**

**Requested By: Judv DeLaney**

**OBJECTIVE:** Approval of resolutions authorizing the Agency to undertake the Project.

**DESCRIPTION:**

**Direct expenditure of fund:**  Yes  No

**Type of financial assistance requested**

**PILOT**

**Sales Tax Exemption**

**Mortgage Recording Tax Exemption**

**Tax Exempt Bonds**

**Other**

**SUMMARY:** The Agency has received an application from the owner for financial assistance with the third phase of the SOMA Project located on West Water Street. The Company proposes a \$19,130,000.00 Project consisting of the construction of a nine story building containing 1200 sq. ft. of commercial space, 104 residential units, 72 parking spaces and an automated lift parking system. Benefits requested include exemptions from sales tax (\$720,000.00) mortgage tax (\$107,606.00) and a 10 Year PILOT schedule valued at \$3,785,089.00. Cost Benefit Ratio: 5.09:1. A fuller summary of the history of the project is attached. The Finance Committee met on August 19, 2019 to review additional information from the owner regarding job counts (24 FTE) (80 Construction) and MWBE practices relative to construction jobs on this and other projects. The Company has made a commitment agreeing to allocate 10% of the residential units for affordable housing using standards based on the City's median income.

**ATTACHMENTS:**

1. Summary (2)
2. Correspondence.
3. Application for Financial Assistance.
4. Project Description.
5. Cost Benefit Analysis.
6. Inducement Resolution.
7. PILOT Resolution.
8. Final Resolution.

(Continued) Immediately preceding the Board meeting of the 20<sup>th</sup> a reopened Public Hearing will be held due to the revised cost benefit analysis.

**REVIEWED BY:**

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

**Meeting:** August 20, 2019

**Prepared By: J.A. DeLaney**

Pursuant to the original application dated December 3, 2003, the original project involved six parcels of improved real property located at 200-238 Water Street West in the City of Syracuse, New York (the "**Land**"); and included both the renovation of the existing building located thereon and commonly known as the Amos Building as well as the construction of two new five to six story buildings on the site and related site improvements, all for use as a mixed use facility consisting of street level retail with the initial renovations to include approximately 19 apartment units and parking (the "**Original Project**").

The first closing occurred on January 1, 2006 and the Company received a 10 year PILOT (the "**Original PILOT**"). The Original PILOT covered the Land and the renovation of the Amos Building to accommodate approximately 19 apartment units, related site improvements and parking (**Phase 1**). The Original PILOT, if not amended, would have expired in 2017. The Company made payments on a PILOT schedule with a starting assessment of \$35,000.00 which in 2015, the 9th year of the PILOT had increased to \$69,300.00 based on the value of the original building.

In 2015, the Company submitted a second application for the next phase (Amos Building Addition Project) which involved approximately .577 acres of the Land; (ii) the construction of an approximately 27,310 square foot four (4) story addition to the exiting approximately Amos Building to house approximately 20,989 square feet on floors two (2) through (4) containing twenty-four (24) handicapped accessible (or conversion ready) one (1) and two (2) bedroom apartment units; and approximately 6,321 square feet of retail space on the first floor, all located Land ("**Phase 2**").

The second closing occurred on September 20, 2015 and the Company received \$264,000 in State and local sales and use tax exemptions and a 12 year PILOT per an Amended and Restated PILOT Agreement (the "**Amended PILOT**"). Total project costs were \$3,698,535.00 per the second application. Per the latest reporting information, 1 new job was created, exclusive of the retail space within Phase 2. The Amended PILOT is set to expire on June 30, 2028. The Amended PILOT base assessment was changed from \$69,300.00 to \$1,896,000.00 the 2015 assessed value of Phase 1.

In May 2019 the Company submitted a third application for the next phase which involves the construction of an approximately 11,300 sq.t. 9 -story addition to the Phase 1 and Phase 2 existing buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; approximately 21,400 sq.ft of parking including an automated parking lift system providing approximately 72 parking spaces on floors one and two; approximately 90,400 sq.ft. containing approximately 78 one-bedroom units and approximately 26 two-bedroom units on floors 3-9, all located on the Land (**Phase3**).

In conjunction with Phase 3, the Company has requested approximately \$720,000 in State and local sales and use tax exemptions, approximately \$107,606 in mortgage recording tax exemptions; and a 10 year PILOT. Benefits calculated for the PILOT will now be based on a starting assessment of \$4,106,000 the full assessed value of Phases 1 & 2. The value of the PILOT benefit over 10 years will be \$3,785,089.43. The Project will pay \$2,542,389.87 in PILOT payments over the same period of time.

---

The cost of the third phase of the Project is \$19,130,000.00. As noted above, in the Company's original application they did anticipate all 3 Phases of the Project.

The Jacob  
4 Clinton Square, Suite 102  
Syracuse, NY 13202

Syracuse Industrial  
Development Agency  
Re: The Jacob

08/05/2019

Members of the Board,

It is with great anticipation that we look forward to our continued discussion with SIDA on August 20<sup>th</sup>.

Per our commitment made at the public meeting on July 16<sup>th</sup>, our project (owned by Syracuse Soma Project LLC) is providing additional information relative to the public benefits which the development and completion of the Jacob will provide.

Upon the Jacob being approved, Syracuse Soma Project LLC will commit to contracting MBEs/MWBEs to comprise our contracted workforce pool. Additionally, Syracuse Soma Project LLC will commit to maintaining local labor to utilize for the majority of our construction work. These factors are essential to our concept of success.

Additionally, upon the Jacob be approved to move forward, we will commit to allocating ten percent (10%) of our residential units to provide financially attainable housing based upon a rate that is marked between thirty-five (35) and forty (40) percent of the City of Syracuse's median income amount.

We believe these units, among other things, will facilitate and provide high quality of home and service yet affordable residential choices for our city's workforce constituency.

These commitments are more than worthwhile in our consideration to provide mutual progress in our city.

Below please find a matrix relative to our previous projects' construction job creation and diversity.

We look forward to discussing further.

The Jacob  
4 Clinton Square, Suite 102  
Syracuse, NY 13202

**Granite Development Company Estimated Job & Project Summary  
(2015-2017)**

<b>JOBS</b>	<b>Jacob</b>	<b>Amos II</b>	<b>Geddes</b>	<b>Destiny Arms**</b>	<b>Total (Incl. Jacob)</b>
Construction	80	25	40	75	220
Indirect Jobs	2 to 4	22*	-	1*	26
% MWBE Contractor Entities	-	25%	25%	20%	23%
<i>*All tenants were 1st time business owners, Amos II was their startup location.</i>					

\*\* 1st ever Universal Design in  
Upstate NY

Kindest Regards,

Mark J. Congel

Owner

**City of Syracuse Syracuse Industrial Development Agency  
Application**

**I. APPLICANT DATA**

A. Contact Information

Company Name:	Syracuse Soma Project LLC ("Applicant")		
Mailing Address:	4 Clinton Square Suite 102		
City:	Syracuse	State:	NY Zip: 13202
Phone:	3154239140	Fax:	
Contact Person:	Richard J Pascarella		
Email Address:	info@granitedevco.com		
Industry Sector:	Real Estate		
NAICS Code:	531311	Federal Employer Identification Number:	06-1718568

B. Will the Applicant be the Project Beneficiary (i.e. Project tenant or owner/operator)

Yes  No  If No, Who will:

--

C. Principal Stakeholders

List principal owners/officers/directors owning 5% or more in equity holdings with percentage ownership. Public companies should list corporate officers.

Name	% Ownership	Business Address	Phone	Email
Mark J Congel	75	4 Clinton Square, Suite 102, Syracuse NY 13202	3154239140	mcongel@granitedevco.com
DANIEL M QUERI	15	314 BRADFORD PARKWAY SYRACUSE, NY 13224		
Paulo Cassenli	10	PAOLO CASINELLI, JR 6805 WOODCHUCK HILL		

D. Corporate Structure: Attach a schematic if Applicant is a subsidiary or otherwise affiliated with another entity.

- Corporation  
 Private  Public  
 Partnership  
 General  Limited  
 Other  Sole Proprietorship  
 Limited Liability Company/Partnership

Date and Location of Incorporation/Organization

2/24/2004

If a foreign corporation, is the Applicant authorized to do business in the State of New York?

--

E. Applicant's Counsel:

Name:	Stephen G. Etoll		
Firm:	Hancock Estabrook, LLP		
Mailing Address:	1800 AXA Tower I		
City:	Syracuse	State:	NY
		Zip:	13202
Phone:	8004431118	Fax:	
Email Address:	setoll@shulmanlawpc.com		

F. Applicant's Accountant:

Name:	L Richard Pascarella & Dave Turan		
Firm:	DiMarco Abiusi & Pascarella		
Mailing Address:	4 Clinton Square, Suite 104		
City:	Syracuse	State:	NY
		Zip:	13202
Phone:	3154756954	Fax:	
Email Address:	rpascarella@dimarcocpa.com		

G. Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the Applicant, its management, or its principal owners now a plaintiff or defendant in any civil or criminal litigation?  Yes  No
2. Has any person listed in Section 1(c) ever been convicted of a criminal offense (other than a minor traffic violation)?  Yes  No
3. Has any person listed in Section 1 (C) or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt?  Yes  No

H. Has the Applicant, or any entity in which the Applicant or any of its members or officers are members or officers, received assistance from SIDA in the past? If yes, please give year, Project name, description of benefits, and address of Project.

Yes  No

1. Syracuse Soma Project 2006 PILOT. Syracuse Soma Project 2016 Amended & Restated PILOT, sales tax exemption, mortgage re

## II. PROJECT INFORMATION

### A. Project Location

Address:	214 West Water Street	Legal Address (if different)	
City:	Syracuse		
Zip Code:	13202		
Tax Map Parcel ID(s):	104.-19-03.4		
Current Assessment:	\$4,106,000	Square Footage /Acerage of Existing Site:	25,377.55
Square Footage of Existing Building, if any:	Approx. 53,000	Census Tract: (Please See Appendix E for Census Tracts)	32

### B. Type (Check all that apply):

- New Construction
  Commercial  
 Expansion/Addition to Current Facility
  Brownfield/Remediated Brownfield  
 Manufacturing
  Residential/Mixed Use  
 Warehouse/Distribution  
 Other

C. Description of Project: Please provide a detailed narrative of the proposed Project. This narrative should include, but not be limited to: (i) the size of the Project in square feet and a breakdown of square footage per each intended use; (ii) the size of the lot upon which the Project sits or is to be constructed; (iii) the current use of the site and the intended use of the site upon completion of the Project; (iv) the principal products to be produced and/or the principal activities that will occur on the Project site; and (v) an indication as to why the Applicant is undertaking the Project and the need for the requested benefits (Attach additional sheets if necessary). Attach copies of any site plans, sketches or maps.

See Attached

Exhibit I

D. Is the Applicant the owner of the property?

- Yes
  No

If not, who is the owner and by what means will the site be acquired? If leasing, when does the lease end?

E. Infrastructure: Please indicate whether the following are onsite, need to be constructed, or need to be renovated/expanded:

Water	To be Renovated/Expanded	Electric	Onsite
Sanitary/ Storm Sewer	Onsite	Private Roads	Onsite
Gas	Onsite	Telecommunication	Onsite

F. Zoning Classification: Please list the current zoning:

Current Zoning

COM-1

G. Are variances needed to complete the Project?

Yes

No

If yes, please describe nature of variances and if municipal approvals have been granted:

H. Will the Project generate sales tax for the community?

Yes

No

If yes, what is the company's average annual sales or estimated annual sales?

20,000.00

I. In accordance with N.Y. GML Sec. 862(1):

1. Will any other companies or related facilities within the state close or be subjected to reduced activity as a result of this Project? If so please list the town and county of the location(s):

Yes

No

2. Will the completion of the Project result in the removal of a plant or facility of the Applicant from one area of the State New York to another area of the State of New York?

Yes

No

3. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant located in the State of New York?

Yes

No

i. If any answer to questions 1, 2 or 3 above is yes, is the Project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

Yes

No

ii. If any answer to questions 1, 2 or 3 above is yes, is the Project reasonably necessary to preserve the competitive position of the Applicant in its respective industry?

Yes

No

4. Will the Project primarily consist of retail facilities?

Yes

No

Yes

No

i. If yes, will the cost of these facilities exceed one-third of the total Project cost?

Yes

No

J. Is the Project located in a distressed Census Tract?

Yes

No

Please see Appendix E for the map of distressed census tracts in the city of Syracuse.

K. Is the Project site designated as an Empire Zone?

Yes

No

L. Construction

1. Project Timeline (approximate):

Construction Commencement

09/01/2019

Construction Completion

04/01/2020

Date of Occupancy

04/05/2020

2. Please list any other key Project milestones:

3. Has work begun?

Yes

No

If so, indicate the amount of funds expended in the past 3 years?

1,550,000

**III. PROJECT COSTS & FINANCING**

**A. Estimated Project Costs**

i. State the costs reasonably necessary for the acquisition, construction, and/or renovation of the Project:

Description of Cost Type	Total Budget Amount
Land Acquisition	0
Site Work/Demo	300,000
Building Construction & Renovation	15,750,000
Furniture & Fixtures	1,500,000
Equipment	500,000
Equipment Subject to NYS Production Sales Tax Exemption (Manufacturing)	0
Engineering/Architects Fees	400,000
Financial Charges	300,000
Legal Fees	100,000
Other	200,000
Management /Developer Fee	80,000
<b>Total Project Cost</b>	<b>19,130,000</b>

ii. State the sources reasonably anticipated for the acquisition, construction, and/or renovation of the Project:

Amount of capital the Applicant has invested to date:	1,550,000
Amount of capital Applicant intends to invest in the Project through completion:	5,000,000
Total amount of public sector source funds allocated to the Project:	0
Identify each public sector source of funding:	N/A
Percentage of the Project to be financed from private sector sources:	75% to 80%
<b>Total Project Cost</b>	<b>19,130,000</b>

**B. Financial Assistance sought (estimated values):**

Applicants requesting exemptions and/or abatements from SIDA must provide the estimated value of the savings they anticipate receiving. **New York State regulations require SIDA to recapture any benefit that exceeds the amount listed in this application.**

i. Is the Applicant expecting that the financing of the Project will be secured by one or mortgages?  Yes  No

If yes, amount requested and name of lender: 14,347,500

ii. Is the Applicant expecting to be appointed agent of the Agency for purposes of abating payments of NYS Sales and Use Tax?  Yes  No

If yes, what is the TOTAL amount of purchases subject to exemption based on taxable Project costs? 9,000,000

iii. Is the Applicant requesting a payment in lieu of tax agreement (PILOT) for the purpose of a real property tax abatement?  Yes  No

If yes, Category of PILOT requested: Standard

iv. Is the Applicant requesting any real property tax abatement that is **inconsistent** with the Agency's UTEP?  
 Yes  No

If yes, please contact the Executive Director prior to submission of this Application.

v. Upon acceptance of this Application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attach such information as Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit be granted by the Agency.

**\*\* This Application will not be deemed complete and final until Exhibit A hereto has been completed and executed\*\***

C. Type of Exemption/Abatement Requested: Amount of Exemption/Abatement Requested:

<input checked="" type="checkbox"/>	Real Property Tax Abatement (PILOT)	7,000,000 (est.)
<input checked="" type="checkbox"/>	Mortgage Recording Tax Exemption (.75% of amount mortgaged)	107,606.25 (est.)
<input checked="" type="checkbox"/>	Sales and Use Tax Exemption (\$4% Local, 4% State)	720,000 (est.)
<input type="checkbox"/>	Tax Exempt Bond Financing (Amount Requested)	
<input type="checkbox"/>	Taxable Bond Financing (Amount Requested)	

D. Company's average yearly purchases or anticipated yearly purchases from vendors within Onondaga County, subject to sales tax:

E. Estimated capital investment over the next 5 years, beyond this Project, if available:

**IV. EMPLOYMENT AND PAYROLL INFORMATION**

\* Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

A. Are there people currently employed at the Project site?  
 Yes  No If yes, provide number of full time equivalent (FTE) jobs at the facility:

B. Complete the following:

Estimate the number of full time equivalent (FTE) jobs to be retained as a result of this Project:	<input type="text" value="2"/>
Estimate the number of construction jobs to be created by this Project:	<input type="text" value="80"/>
Estimate the average length of construction jobs to be created (months):	<input type="text" value="4"/>
Current annual payroll at facility:	<input type="text" value="20,000 (est.)"/>
Average annual growth rate of wages:	<input type="text" value="2%"/>
Please list, if any, benefits that will be available to either full and/or part time employees:	<input type="text" value="Reduced Cost of Rent"/>
Average annual benefit paid by the company (\$ or % salary) per FTE job:	<input type="text"/>
Average growth rate of benefit cost:	<input type="text" value="1%"/>
Amount or percent of wage employees pay for benefits:	<input type="text"/>
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	<input type="text" value="60"/>

C. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, third, fourth, and fifth years after the Project is completed. Jobs should be listed by title or category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. **Do not include construction workers.**

Current & Planned Full Time Occupations (Job Titles)	Current Number of FTEs	Annual Salary	Estimated Number of FTE Jobs After Project Completion					
			End of Year 1	End of Year 2	End of Year 3	End of Year 4	Total New Jobs After 5 Years	Total Retained Jobs After 5 Years
Project Manager	1	21000	2	2	2	2	2	2
On Site Supervisor	1	18000	2	2	2	2	2	2
Admin/Professional	1	20000	1	1	1	1	1	1

For purposes of completing the chart, refer to the following definitions, in lieu of current titles:

- **Professional/Managerial/Technical** - includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (examples: architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).
- **Skilled** - includes jobs that require specific skill sets, education, training, and experience and are generally characterized by high education or expertise levels (examples: electrician, computer operator, administrative assistant, carpenter, sales representative).
- **Unskilled or Semi-Skilled** - includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (examples: general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

D. Are the employees of your company currently covered by a collective bargaining agreement?

Yes  No If yes, provide the Name and Local: \_\_\_\_\_

### V. Environmental Information

**\*An Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. Please visit <https://www.dec.ny.gov/permits/6191.html> for the online EAF Mapper Application and EAF Forms.**

A. Have any environmental issues been identified on the property?

Yes  No

If yes, please explain:

In 2005-2006, two former fuel tanks were found buried on the property site which is currently a vacant lot. The issue was addressed, the area was re-remediated, and a close out letter on the matter was received from NYS.

B. Has any public body issued a State Environmental Quality Review Act determination for this Project?

Yes  No

If yes, please attach to this application.

## VI. REPRESENTATIONS & AFFIRMATIONS BY THE APPLICANT

I hereby represent and warrant that I am [the CEO of the company/applicant] or [a person authorized to bind the company/applicant] and make the following representations and/or warranties and understand and agrees with the Agency as follows:

**A. Jobs Listings:** Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity of the service delivery area created by the Workforce Investment Act ("WIA") in which the Project is located.

Initial  MC

**B. First Consideration for Employment:** In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the WIA for new employment opportunities created as a result of the Project.

Initial  MC

**C. Other NYS Facilities:** In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the Project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the Project in its respective industry.

Initial  MC

**D. City Human Right Law:** The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law," which prohibits discrimination in employment based upon age, race, sex, creed, color, religion, national origin, sexual orientation, disability or marital status. The Applicant hereby agrees to adhere to this policy or equal opportunity employment in the requirement, hiring, training, promotion, and termination of employees.

Initial  MC

**E. City of Syracuse and MWBE Preference:** The applicant understands and agrees that it is the preference of the Agency that the applicant provide, and use its best efforts to provide, opportunities for the purchase of equipment, goods and services from: (i) business enterprises located in the city of Syracuse; (ii) certified minority and/or women-owned business enterprises; and (iii) business enterprises that employ residents in the city of Syracuse. Consideration will be given by the Agency to the Project Applicant's efforts to comply, and compliance, with this objective at any time an extension of benefits awarded, or involvement by the Agency with the Project, is requested by the Project Applicant.

Initial  MC

**F. Local Labor Policy:** The applicant understands and agrees that local labor and contractors will be used for the construction, renovation, reconstruction, equipping of the Project unless a written waiver is received from the Agency. Failure to comply may result in the revocation or recapture of benefits awarded to the Project by the Agency. For the purposes of the policy, "Local" is defined as Onondaga, Cayuga, Cortland, Madison, Oneida, and Oswego Counties.

Initial  MC

**G. Annual Sales Tax Filings:** In accordance with §874(8) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors

Initial  MC

**H. Annual Employment Reports and Outstanding Bonds:** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency on an annual basis, reports regarding the number of FTE at this Project site. The Applicant also understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the Project that is requested by the Comptroller of the State of New York.

Initial  MC

**I. Absence of Conflicts of Interest:** The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect in any transaction contemplated by this Application, except as hereinafter described in Appendix B.

Initial  MC

**J. Compliance:** The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

Initial  MC

**K. False or Misleading Information:** The Applicant understands and agrees that the submission of knowingly false or knowingly misleading information in this Application may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

Initial  MC

**L. GML Compliance:** The Applicant certifies that, as of the date of the Application, the proposed project is in substantial compliance with all provisions of NYS General Municipal Law Article 18-A, including but not limited to Sections 859-a and 862(1).

Initial  MC

**M. SIDA's Policies:** The Applicant is familiar with all of SIDA's policies posted on its website ([http://www.syr.gov.net/Syracuse\\_Industrial\\_Development\\_Agency.aspx](http://www.syr.gov.net/Syracuse_Industrial_Development_Agency.aspx)) and agrees to comply with all applicable policies.

MC

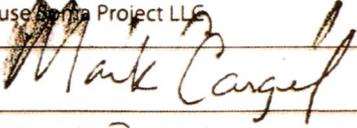
**N. Disclosure:** The Applicant has read paragraph 6 of the instructions contained on the cover of this Application and understands that the Applicant must identify in writing to SIDA any information it deems proprietary and seeks to have redacted.

MC

**O. Reliance:** THE APPLICANT ACKNOWLEDGES THAT ALL ESTIMATES OF PROJECTED FINANCIAL IMPACTS, VALUE OF FINANCIAL ASSISTANCE REQUESTED, AND OTHER INFORMATION CONTAINED IN THIS APPLICATION WILL BE RELIED UPON BY SIDA AND ANY CHANGES IN SUCH INFORMATION MUST BE MADE IN WRITING AND MAY IMPACT THE GRANT OF FINANCIAL ASSISTANCE TO THE PROJECT.

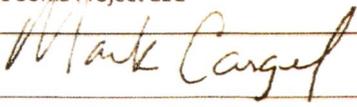
MC

**I am the CEO or a person authorized to bind the company/applicant, and have read the foregoing and agree to comply with all the terms and conditions contained therein as well as the policies of the City of Syracuse Industrial Development Agency.**

Name of Applicant Company	Syracuse Soma Project LLC
Signature of Officer or Authorized Representative	
Name & Title of Officer or Authorized Representative	Mark J Congel, Principal
Date	04-30-19

## VI. HOLD HARMLESS AGREEMENT

Applicant hereby releases the City of Syracuse Industrial Development Agency and the members, officers, servants, agents and employees thereof (collectively the "Agency" from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax-exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction, and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all cause of action and attorney's fees and any other expenses incurred in defending any suits or action which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, or the inability of the Applicant, for any reason, to proceed with the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of or in connection with the Application, including attorney's fees, if any.

Name of Applicant Company	Syracuse Soma Project LLC
Signature of CEO or a person authorized to bind the company/applicant	
Name & Title of Officer or Authorized Representative	Mark Congel, Principal
Date	04-30-19

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY APPLICATION  
**APPENDIX A**  
**CONFLICT OF INTEREST STATEMENT**

Agency Board Members

1. Michael Frame
2. Kathleen Murphy
3. Steven P. Thompson
4. Rickey T. Brown
5. Kenneth J. Kinsey

Agency Officers/Staff

1. Honora Spillane
2. Judith DeLaney
3. Debra Ramsey-Burns

Agency Legal Counsel & Auditor

1. Susan Katzoff, Esq., Bousquet Holstein, PLLC
2. Grossman St. Amour, PLLC.

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Signature:

*Mark Cengel*

Authorized Representative:

*Mark Cengel*

Title:

*Principal*

Date:

*05-01-14*

City of Syracuse Industrial Development Agency

APPENDIX B

Agency Fee Schedule

(Revised 1/15/19)

Bond and Straight Lease Transactions:

Application & Processing Fee .....	\$1,000.00
Project Commitment/Legal Fee .....	\$2,500.00
(Due with fully executed Application; Amount applied to SIDA's counsel fee)	

Administrative Fee:

Issuance of Bonds .....	1% Project Cost
(Without regard to principal amount of bonds issued.)	
Straight Lease/Agency Appointment .....	1% Project Cost
(Exemption from one or more mortgage recording, real property or sales and use taxes)	
Refunding of Bonds .....	1% of Project Cost

New Money/Additional Financing on Existing Project:

- Refinancing of project where no additional Financial Assistance is sought (other than MRTE) – ¼ of new money financed (exclusive of original mortgage amount).
- Refinancing of project where additional Financial Assistance is sought (in addition to MRTE) – 1% of new money financed.

Post-Closing Items for Bond and Straight Lease Transactions:

Annual Administrative Reporting Fee (Paid at time of closing and annually thereafter for duration of SIDA's interest in Project Facility)	\$250.00
Extension of sales tax exemption .....	\$500.00
Modification or Amendment of Closing Documents* .....	\$1,000.00
<u>*including but not limited to refinancing of original mortgage</u>	
Subsequent lender closing .....	\$250.00

In addition to the foregoing, Applicants are responsible for payment of all costs and expenses incurred by SIDA in connection with application or Project including without limitation publication, copying costs, SEQRA compliance and fees and costs to SIDA's attorneys, engineers, and consultants. SIDA reserves the right to require a deposit to cover anticipated costs. Application fees are payable at time application/request is submitted. All fees are non-refundable. Applicants for bond transactions are responsible for payment of Bond Issuance Charge payable to the State of New York. Applicants are also responsible for payment of post-closing fees and costs associated with the appointment of additional agents. SIDA reserves the right to modify this schedule at any time and to assess fees and charges in connection with other transactions such as grants of easement or lease of SIDA-owned property.

**APPENDIX B**

**Verification**

STATE OF NY )  
 ) SS.:  
COUNTY OF Onondaga )

Mark J. Congel, deposes and says that s/he is the  
(Name of Individual)

Principal of Syracuse Solar Project LLC  
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and papers of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with all such policies.

Mark J. Congel  
Applicant Representative's Signature

Principal  
Title

Subscribed and sworn to before me this

2 day of MAY, 2019

Kristin M. Slayton  
Notary Public

KRISTIN M. SLAYTON  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01SL6361525  
Qualified in Cayuga County  
My Commission Expires 07-10-2021

The Jacob  
4 Clinton Square  
Suite 102  
Syracuse, NY 13202

Re: The Jacob

Applicant, Mark Congel and his related companies Syracuse Soma Project LLC and Granite Development Company LLC have sought to construct what is the logical next step in adding to the Amos block, the Jacob. Currently, the proposed location of the project consists of an enclosed parking lot containing roughly 30 spaces, which service the Amos (I & II). The Amos Block is currently located at 204 and 208 West Water Street in Syracuse, NY.

In 2016, Mark Congel, owner of Syracuse Soma Project completed the Amos II which is a four (4) story brick veneer cavity wall and wood framed construction totaling 27,310 SF. Amos II included 21 residential units and three (3) commercial spaces on the 1<sup>st</sup> floor. Amos II was an addition to the original Amos building. The original Amos building was renovated by Mark Congel, from a vacant building in disrepair in 2006. Amos I consisted of roughly 30,000 SF and 19 residential units along with three (3) commercial spaces on the 1<sup>st</sup> Floor. In both Amos I & Amos II, each apartment consisted of a full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service. To date Amos I & II have averaged over 90% occupancy over the life of the projects.

The Jacob has been planned for roughly two years. In order to prepare this development plan and application for this unique and progressive build, the Applicant has been in continual discussions and negotiations with contractors, parking experts, consultants, lenders, etc. The uniqueness of the project and premiums associated with accompanying the reduced footprint and residential demand require the assistance of the Syracuse Industrial Development Agency.

The Jacob is contemplated as a 24' tall podium to provide Syracuse's first ever automated parking lift system, providing 88 parking spaces. Additionally, there will be a mixed-use space located on the Franklin and Water St. side of the building, consisting of roughly 1,200 SF. This will be on the 1<sup>st</sup> level and is designated for a commercial/retail use.

There will be 8 floors of light gauge metal frame structure above totaling 104 residential units, totaling a gross area of approximately 98,000 SF. The anticipated unit mix for the building is approximately 75% one-bedroom units and 25% two-bedroom units.

The Jacob will consist of apartments which include full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service.

The Jacob will provide, what we believe is the capstone to the Amos Block. We look forward to working with SIDA on another successful and progressive development for the City of Syracuse.



Exhibit I

The Jacob  
4 Clinton Square  
Suite 102  
Syracuse, NY 13202

08-09-19

Re: The Jacob

Applicant, Mark Congel and his related companies Syracuse Soma Project LLC and Granite Development Company LLC have sought to construct what is the logical next step in adding to the Amos block, the Jacob. Currently, the proposed location of the project consists of an enclosed parking lot containing roughly 30 spaces, which service the Amos (I & II). The Amos Block is currently located at 204 and 208 West Water Street in Syracuse, NY.

In 2016, Mark Congel, owner of Syracuse Soma Project completed the Amos II which is a four (4) story brick veneer cavity wall and wood framed construction totaling 27,310 SF. Amos II included 21 residential units and three (3) commercial spaces on the 1<sup>st</sup> floor. Amos II was an addition to the original Amos building. The original Amos building was renovated by Mark Congel, from a vacant building in disrepair in 2006. Amos I consisted of roughly 30,000 SF and 19 residential units along with three (3) commercial spaces on the 1<sup>st</sup> Floor. In both Amos I & Amos II, each apartment consisted of a full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service. To date Amos I & II have averaged over 90% occupancy over the life of the projects.

The Jacob has been planned for roughly two years. In order to prepare this development plan and application for this unique and progressive build, the Applicant has been in continual discussions and negotiations with contractors, parking experts, consultants, lenders, etc. The uniqueness of the project and premiums associated with accompanying the reduced footprint and residential demand require the assistance of the Syracuse Industrial Development Agency.

The Jacob is contemplated as a 24' tall podium to provide Syracuse's first ever automated parking lift system, providing 72 parking spaces. Additionally, there will be a mixed-use space located on the Franklin and Water St. side of the building. This will be on the 1<sup>st</sup> level and is designated for a commercial/retail use.

There will be 8 floors of light gauge metal frame structure above totaling 104 residential units. The anticipated unit mix for the building is approximately 75% one-bedroom units and 25% two-bedroom units.

Exhibit I

The Jacob  
4 Clinton Square  
Suite 102  
Syracuse, NY 13202

The estimated breakdown building square footage is as follows:

Res. Units	90,400
Parking	21,400
Retail	1,200
<b>Total</b>	<b>113,000</b>

The Jacob will consist of apartments which include full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service.

The Jacob will provide, what we believe is the capstone to the Amos Block. We look forward to working with SIDA on another successful and progressive development for the City of Syracuse.

**Project Summary**

**1. Project:** Syracuse SOMA Project LLC      **2. Project Number:** 0

**3. Location:** Syracuse      **4. School District:** SCSD

**5. Tax Parcel(s):** 104.-19-03.4      **6. Type of Project:** Mixed Use

<b>7. Total Project Cost:</b>	<b>\$ 19,130,000</b>
Land	\$ -
Site Work	\$ 300,000
Building	\$ 15,750,000
Furniture & Fixtures	\$ 1,500,000
Equipment	\$ 500,000
Equipment Subject to NYS Production Exemption	\$ -
Engineering/Architecture Fees	\$ 400,000
Financial Charges	\$ 300,000
Legal Fees	\$ 100,000
Other	\$ 200,000

<b>8. Total Jobs</b>	26
8A. Job Retention	22
8B: Job Creation (Next 5 Years)	4

**Cost Benefit Analysis:** Syracuse SOMA Project LLC

	Fiscal Impact (\$)
<b>Abatement Cost:</b>	<b>\$4,612,695</b>
Sales Tax	\$720,000
Mortgage Tax	\$107,606
Property Tax Relief (PILOT) 10yr	\$3,785,089
<b>New Investment:</b>	<b>\$23,489,241</b>
PILOT Payments 10yrs	\$2,542,390
Project Wages (10 yrs)	\$1,143,751
Construction Wages	\$1,160,800
Employee Benefits (10 years)	\$0
Project Capital Investment	\$18,450,000
New Sales Tax Generated	\$0
Agency Fees	\$192,300
<b>Benefit:Cost Ratio</b>	<b>5.09 :1</b>

## INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

**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, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, and 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 acquire, lease and sell real property and grant financial assistance in connection with one or more "projects" (as defined in the Act); and

**WHEREAS**, Syracuse Soma Project LLC, a Delaware limited liability company, or an entity to be formed (the "**Company**"), by application dated April 30, 2019 (the "**Application**"), requested the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition or continuation of an interest in approximately 25,378 sq. ft. of real property improved by two existing buildings totaling approximately 57,300 sq.ft. (the "**Existing Buildings**"), all located at 214 West Water Street, in the City of Syracuse, New York (the "**Land**"); (ii) the construction of a 9-story, approximately 113,000 sq.ft. addition to the Existing Buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; an approximately 21,400 sq. ft parking structure including an automated parking lift system to provide 72+/- parking spaces; approximately 90,400 sq.ft. containing 78+/- one-bedroom units and 26+/- two-bedroom units on floors 2-9; all located on the Land (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 real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) 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 adopted a resolution on June 18, 2019, describing the Project and the proposed Financial Assistance and authorizing a public hearing with respect thereto ("**Public Hearing Resolution**"); and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on July 16, 2019 pursuant to Section 859-a of the Act (the "**First Public Hearing**"), notice of which was originally published on June 27, 2019, 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 June 24, 2019; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

**WHEREAS**, by letter dated November 5, 2018, the City of Syracuse Planning Commission ("**Planning Commission**") provided the Agency with a copy of the Full Environmental Assessment Form ("**EAF**") prepared by the Company and notice of its determination that the Project described therein constituted a "Type I" action and that it appointed itself as "lead agency" for purposes of a "coordinated review" (as said quoted terms are defined in SEQRA) (the "**Notice**"); and

**WHEREAS**, on February 19, 2019, the Planning Commission determined that the Project would not have a significant effect on the environment and adopted a negative declaration ("*Negative Declaration*" and collectively with the EAF and the Notice, the "*SEQRA Documents*"); the SEQRA Documents are attached hereto as **Exhibit "A"**; and

**WHEREAS**, by letter dated August 5, 2019, the Company further committed to the Agency that the Project shall include a ten (10%) percent set aside of the residential units for residents making between thirty-five (35%) and forty (40%) percent of the City's area median income (the "*Set Aside*"); and

**WHEREAS**, on August 20, 2019, pursuant to Section 859-a of the Act, the Agency reopened the public hearing with respect to the Project and in particular the cost benefit analysis as it relates to the proposed PILOT, which had not been completed at the time of the First Public Hearing (the "*Second Public Hearing*"), notice of which was published on August 8, 2019, 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 August 6, 2019; and

**WHEREAS**, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse (the "*City*"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the City and improve their standard of living.

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

**Section 1.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon an examination of the EAF prepared by the Company and the Negative Declaration issued by the Planning Commission, and based further upon the Agency's

knowledge of the area surrounding the Project Facility, all the representations made by the Company in connection with the Project, and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project pursuant to SEQRA:

(A) The Project consists of the components described above in the third WHEREAS clause of this Resolution;

(B) The Project constitutes a Type 1 action; and

(C) Pursuant to 6NYCRR §617.6(b)(3), the Agency adopts the Negative Declaration of the Planning Commission.

**Section 3.** Based upon the representations and projections made by the Company to the Agency, the Agency hereby and makes the following determinations:

(A) The Project constitutes a “*project*” within the meaning of the Act;

(B) The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to the Company to acquire, construct, equip and complete the Project Facility in the City, and will serve the purposes of the Act by, among other things, advancing job opportunities, the standard of living and economic welfare of the inhabitants of the City;

(C) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act;

(D) The Financial Assistance approved hereby includes an exemption from State and local sales and use taxes and mortgage recording taxes and the appointment of the Company as agent of the Agency as further set forth herein.

**Section 4.** As a condition of the appointment of the Company as agent of the Agency, and the conference of any approved Financial Assistance, the Company and the Agency shall first execute and deliver: (i) an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project, the form and substance of the agreement is attached (as set forth on **Exhibit “B”** attached hereto and presented at this meeting) (the “**Agreement**”); (ii) a project agreement in substantially the same form used by the Agency in similar transactions (the “**Project Agreement**”); and (iii) the Lease Documents (as defined herein). The Chairman, Vice Chairman or Executive Director of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Project Agreement, the Agreement and the Lease Documents, with changes in terms and form as shall be consistent with this Resolution and as the Chairman or Vice Chairman shall approve. The execution thereof by the Chairman, Vice Chairman and/or Executive Director shall constitute conclusive evidence of

such approval. Subject to the due execution and delivery by the Company of the Project Agreement, the Agreement and the Lease Documents, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement, the Lease Documents and the payment by the Company of any attendant fees, the Company and its designees, are appointed the true and lawful agent of the Agency to proceed with the construction, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$720,000**.

**Section 5.** Subject to the terms of this Resolution, including but not limited to the Company's Set Aside commitment, as well as the execution and delivery of, and the conditions set forth in, the Agreement and the Project Agreement the Agency will: (i) acquire an interest in the Land and Facility pursuant to a lease agreement (the "***Lease***") to be entered into between the Company and the Agency; accept an interest in the Equipment pursuant to a bill of sale from the Company (the "***Bill of Sale***"); (ii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "***Sublease***" and with the Lease and the Bill of Sale, and all other documents required by the Agency for similar transactions, including but not limited to, an environmental compliance and indemnification agreement, collectively, the "***Lease Documents***") to be entered into between the Agency and the Company; (iii) provide the approved Financial Assistance in accordance with all such approving resolutions of the Agency; and (iv) provided that no default shall have occurred and be continuing under the Agreement and provided the Company has executed and delivered all documents and certificates required by the Agency in conjunction with the Agency's undertaking of the Project, execute and deliver all other certificates and documents necessary or appropriate for the conference of the approved Financial Assistance, in form and substance acceptable to the Agency.

**Section 6.** The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from State and local sales and use tax exemptions benefits.

**Section 7.** The Company may utilize, and subject to the terms of this Resolution, the Agreement and the Project Agreement, is hereby authorized to appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") to proceed with the construction, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided the Company execute, deliver and comply with the Agreement. The Company shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the "***Commissioner***") upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge

and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. for purposes of exemption from New York State (the “*State*”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

**Section 8.** The Chairman, Vice Chairman and/or the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein as the (Vice) Chairman deems appropriate, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Agreement and/or the Project Agreement.

**Section 9.** The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the Company’s execution and delivery of the Lease Documents and the documents set forth in Section 3 hereof.

**Section 10.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 11.** Should the Agency’s participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency’s counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

**Section 12.** Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

**Section 13.** The Secretary and/or the Executive Director of the Agency are hereby authorized and may distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 14.** This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, 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:

**AYE**

**NAY**

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 20, 2019, 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 \_\_\_\_ day of August, 2019

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**EXHIBIT "A"**

**SEQRA DOCUMENTS**

## EXHIBIT “B”

### AGENCY/COMPANY AGREEMENT

**THIS AGREEMENT** is between **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the “*Agency*”), with an office at 201 East Washington Street, 6<sup>th</sup> Floor, Syracuse, New York 13202 and **SYRACUSE SOMA PROJECT, LLC**, with a mailing address of 4 Clinton Square, Suite 102, Syracuse, New York 13202 (the “*Company*”).

**Article 1. Preliminary Statement.** Among the matters of mutual inducement which have resulted in the execution of this agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the “*Act*”) to designate an agent for constructing, renovating and equipping “projects” (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order 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 to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

The Company, by application dated April 30, 2019 (the “*Application*”), requested the Agency undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition or continuation of an interest in approximately 25,378 sq. ft. of real property improved by two existing buildings totaling approximately 57,300 sq.ft. (the “*Existing Buildings*”), all located at 214 West Water Street, in the City of Syracuse, New York (the “*Land*”); (ii) the construction of a 9-story, approximately 113,000 sq.ft. addition to the Existing Buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; an approximately 21,400 sq. ft parking structure including an automated parking lift system to provide 72+/- parking spaces; approximately 90,400 sq.ft. containing 78+/- one-bedroom units and 26+/- two-bedroom units on floors 2-9; all located on the Land (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 real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) 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. As part of the Project, the Company has agreed to a ten (10%) percent set aside of the residential units for residents making between thirty-five (35%) and forty (40%) percent of the City's area median income (the "*Set Aside*").

1.03(a). All documents necessary to effectuate the Agency's undertaking of the Project and the granting of the approved Financial Assistance between the Agency and the Company, including but not limited to, a project agreement, a company lease agreement, an agency lease agreement, a bill of sale and an environmental compliance and indemnification agreement, shall be collectively referred to herein as the "*Lease Documents*".

1.03. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency's agent for the construction, equipping and completion of the Project Facility, and the use and appointment, as necessary, by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "*Additional Agents*"): (i) will be an inducement to it to construct and equip the Project Facility in the City of Syracuse (the "*City*"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project Facility will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.04. The Agency has determined that the acquisition of a controlling interest in, and the construction and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.05. On August 20, 2019, the Agency adopted a resolution (the "*Inducement Resolution*") agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency's agent for the acquisition, construction and equipping of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not exceed **\$720,000**.

1.06. In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, the execution and delivery of a project agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company as its agent for the purposes of construction and equipping the Project Facility, entering into contracts and doing all things requisite and proper for construction and equipping the Project Facility.

**Article 2. Undertakings on the Part of the Agency.** Based upon the statement,

representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated, pursuant to the terms hereof, the Company as the Agency's agent for constructing and equipping the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) designation by the Company of Additional Agents for construction and equipping of the Project Facility subject to the terms hereof; and (iii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03. Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.05, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the construction and equipping of the Project Facility and the utilization of and, as necessary the appointment of, Additional Agents.

2.05. Subject to the execution of the Lease Documents and Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency: (i) for the construction and equipping of the Project Facility; and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the construction and equipping of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency's review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

**Article 3. Undertakings on the Part of the Company.** Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein the Company agrees as follows:

3.01. (a) The Company shall indemnify and hold the Agency harmless from all

losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, and construction and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates, endorsements, binders and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, construction and equipping of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and

determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

(h) The Company shall complete a Local Access Agreement to be obtained from the City of Syracuse Industrial Development Agency and agrees to utilize, and cause its Additional Agents to utilize, local contractors and suppliers for the construction, equipping and completion of the Project unless a waiver is received from the Agency in writing. For purposes of this Agency Agreement, the term “*Local*” shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company’s sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, construction and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency or otherwise, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute) it will comply with the requirements of Section 220 of the Labor Law of the State of New York, as amended.

3.04. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Company shall provide periodic reporting on the agreed upon Set Aside for the Project as requested by the Agency.

3.05. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental or machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise payable directly or indirectly in connection with the Project Facility, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.06 The Company shall proceed with the acquisition, construction, equipping and completion of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may appoint Additional Agents as agents of the Agency in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each Additional Agent which provides for the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each Additional Agent; (ii) a commitment to utilize local contractors and suppliers for the construction and equipping of the Project (“local” being defined in Section 3.01(h) hereof); (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the Agency and the New York State Department of Taxation and Finance on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that the failure to comply with the foregoing will result in the loss of the exemption; and (v) such other terms and conditions as the Agency deems necessary; and

(2) A completed “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss of the Company’s exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company ratifies and confirms its obligations to pay an annual administrative reporting fee in accordance with the Agency’s fee schedule to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

#### **Article 4. General Provisions.**

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Company of the Agency’s fee and Agency’s counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval

by the Company; and (v) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; and

(b) the Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; and

(c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act, and in accordance with the Agency's Recapture of Benefits Policy, the Agency shall, and in some instances may, recover, recapture, receive or otherwise obtain from the Company some or all of the Financial Assistance (the "**Recapture Amount**") including, but not limited to: (1) (a) that portion of the State and local sales and use tax exemption to which the Company was not entitled, which is in excess of the amount of the State and local sales and use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State and local sales and use tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; or (c) the full amount of such State and local sales and use tax exemption in the event the Company fails to execute and deliver the Lease Documents in accordance herewith or fails to complete the Project; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the "**State**") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight. In addition to the foregoing, the Agency may recapture benefits comprising the Financial Assistance in accordance with the Agency's Recapture Policy (a copy of which is on the Agency's website) for, including but not limited to, failure to comply with the Set Aside.

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before **August 20, 2020**, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses incurred by the Agency in connection with the acquisition, construction and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for the construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Project Facility; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency and counsel for the Agency incurred in connection with the Project Facility and will pay the fees of counsel for the Agency for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

**4.05. The Company acknowledges that Section 875(7) of the New York General Municipal Law (“GML”) requires the Agency to post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency’s possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company’s competitive position, the Company must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.**

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement as of the 20<sup>th</sup> day of August, 2019.

**CITY OF SYRACUSE INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Judith DeLaney, Executive Director

**SYRACUSE SOMA PROJECT, LLC**

By: \_\_\_\_\_  
Name:  
Title:

## PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by \_\_\_\_\_ and upon roll being called, the following members of the Agency were:

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

### **RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION THEREWITH**

**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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and 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 to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more "projects" (as defined in the Act); and by application dated April 30, 2019 (the "*Application*"), Syracuse Soma Project LLC, or an entity to be formed (the "*Company*"), requested the Agency undertake a project (the "*Project*") consisting of: (A)(i) the acquisition or continuation of an interest in approximately 25,378 sq. ft. of real property improved by two

existing buildings totaling approximately 57,300 sq.ft. (the "**Existing Buildings**"), all located at 214 West Water Street, in the City of Syracuse, New York (the "**Land**"); (ii) the construction of a 9-story, approximately 113,000 sq.ft. addition to the Existing Buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; an approximately 21,400 sq. ft parking structure including an automated parking lift system to provide 72+/- parking spaces; approximately 90,400 sq.ft. containing 78+/- one-bedroom units and 26+/- two-bedroom units on floors 2-9; all located on the Land (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 real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) 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**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

**WHEREAS**, by letter dated November 5, 2018, the City of Syracuse Planning Commission ("**Planning Commission**") provided the Agency with a copy of the Full Environmental Assessment Form ("**EAF**") prepared by the Company and notice of its determination that the Project described therein constituted a "Type I" action and that it appointed itself as "lead agency" for purposes of a "coordinated review" (as said quoted terms are defined in SEQRA) (the "**Notice**"); and

**WHEREAS**, on February 19, 2019, the Planning Commission determined that the Project would not have a significant effect on the environment and adopted a negative declaration; and

**WHEREAS**, on August 20, 2019, pursuant to Section 859-a of the Act, the Agency reopened the public hearing with respect to the Project and in particular the cost benefit analysis as it relates to the proposed PILOT, which had not been completed at the time of the first public hearing (the "**Second Public Hearing**"), notice of which was published on August 8, 2019, 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 August 6, 2019; and

**WHEREAS**, on August 20, 2019, the Agency resolved to take official action toward the acquisition, construction, equipping and completion of the Project (the "**Inducement Resolution**"); and

**WHEREAS**, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax schedule, as more fully described on **Exhibit "A"** attached hereto (the "**PILOT Schedule**") which complies with the Agency's Uniform Tax Exemption Policy ("**UTEP**") established pursuant to General Municipal Law Section 874(4); and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the proposed PILOT Schedule, as part of the Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will advance job opportunities in the State and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes 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, and the reasons presented by the Company in support of its request for the PILOT Schedule, the Agency hereby approves and the (Vice) Chairman and Executive Director, acting individually, are each authorized to execute and deliver a PILOT agreement (the "**PILOT Agreement**") providing for the PILOT Schedule attached as **Exhibit "A"** hereto, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions and consistent with this Resolution and as approved by the Chairman or Vice Chairman of the Agency upon the advice of counsel to the Agency.

(2) The (Vice) Chairman and/or Executive Director, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any and all such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein as the (Vice) Chairman shall approve, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any

documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(4) The Secretary and/or the Executive Director of the Agency are hereby authorized to 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.

(5) This Resolution shall take effect immediately, but is subject to execution by the Company of the Lease Documents, a PILOT Agreement and the Agreement (as defined in the Inducement Resolution) and compliance with all other resolutions and related documents adopted and/or approved by the Agency in conjunction with the Project and/or as set forth herein.

(6) A copy of this Resolution, together with the attachments hereto, 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:

**AYE**

**NAY**

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 20, 2019, with the original thereof on file in my office, and that the same (including any and 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 \_\_\_ day of \_\_\_\_\_, 2019.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**EXHIBIT "A"**

**PROPOSED PILOT SCHEDULE**

<i>Year</i>	<i>Payment Amount</i>
1	\$165,565.60
2	\$168,876.91
3	\$172,254.45
4	\$175,699.54
5	\$179,213.53
6	\$182,797.80
7	\$186,453.75
8	\$308,583.91
9	\$435,524.70
10	\$567,419.68
Total	\$2,542,389.87

**FINAL APPROVING RESOLUTION**

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**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**, Syracuse Soma Project LLC, or an entity to be formed (the "**Company**"), by application dated April 30, 2019 (the "**Application**"), requested that the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition or continuation of an interest in approximately 25,378 sq. ft. of real property improved by two existing buildings totaling approximately 57,300 sq.ft. (the "**Existing Buildings**"), all located at 214 West Water Street, in the City of Syracuse, New York (the "**Land**"); (ii) the construction of a 9-story, approximately 113,000 sq.ft. addition to the Existing Buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; an approximately 21,400 sq. ft parking structure including an automated parking lift system to provide 72+/- parking spaces; approximately 90,400 sq.ft. containing 78+/- one-bedroom units and 26+/- two-bedroom units on floors 2-9; all located on the Land (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 real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) 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 July 16, 2019 pursuant to Section 859-a of the Act (the "**First Public Hearing**"), notice of which was originally published on June 27, 2019, 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 June 24, 2019; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

**WHEREAS**, by letter dated November 5, 2018, the City of Syracuse Planning Commission ("**Planning Commission**") provided the Agency with a copy of the Full Environmental Assessment Form ("**EAF**") prepared by the Company and notice of its determination that the Project described therein constituted a "Type I" action and that it appointed itself as "lead agency" for purposes of a "coordinated review" (as said quoted terms are defined in SEQRA) (the "**Notice**"); and

**WHEREAS**, on February 19, 2019, the Planning Commission determined that the Project would not have a significant effect on the environment and adopted a negative declaration; and

**WHEREAS**, by letter dated August 5, 2019, the Company further committed to the Agency that the Project shall include a ten (10%) percent set aside of the residential units for residents making between thirty-five (35%) and forty (40%) percent of the City's area median income (the "**Set Aside**"); and

**WHEREAS**, on August 20, 2019, pursuant to Section 859-a of the Act, the Agency reopened the public hearing with respect to the Project and in particular the cost benefit analysis as it relates to the proposed PILOT, which had not been completed at the time of the First Public Hearing (the "**Second Public Hearing**"), notice of which was published on August 8, 2019, 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 August 6,

2019; and

**WHEREAS**, the Agency adopted a resolution on August 20, 2019 (the “*Inducement Resolution*”) entitled:

**RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

which resolution is in full force and effect and has not been amended or modified; and

**WHEREAS**, the Agency adopted a resolution on August 20, 2019 (the “*PILOT Resolution*”) entitled:

**RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION THEREWITH**

which resolution is in full force and effect and has not been amended or modified.

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

**Section 1.** Based upon the representations made by the Company to the Agency and after consideration of the comments received at the public hearing, if any, the Agency hereby ratifies all of its prior resolutions adopted in conjunction with the Project, including but not limited to the Inducement Resolution, the PILOT Resolution and all other action with respect to the Project and Financial Assistance taken by the Agency, and makes the following findings and determinations:

(a) The acquisition of a controlling interest in the Project Facility by the Agency, the granting of the Financial Assistance and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to, and permit, the Company to develop and operate the Project Facility in the City of Syracuse, thus serving the public purposes of Article 18-A of the General Municipal Law of New York State by promoting and preserving the job opportunities, general prosperity, health and economic welfare of the inhabitants of the City of Syracuse (the “*City*”) in furtherance of the purposes of the Act.

(b) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

(c) The commitment of the Agency to provide Financial Assistance to the Company will enable and induce the Company to construct, equip and complete the Project Facility.

(d) The acquisition, construction, equipping and completion of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the City and the granting of the Financial Assistance is a necessary component to the financing of the Project.

(e) The Project Facility constitutes a “project” within the meaning of the Act.

(f) It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

**Section 2.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by advancing job opportunities and promoting economic development.

**Section 3.** It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping, furnishing and completing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 4.** Subject to the conditions set forth in this and prior resolutions adopted by the Agency, the Project Agreement and the Agreement (each as defined in the Inducement Resolution), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “*Company Lease*”); acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “*Bill of Sale*”); and sublease the Project Facility to the Company pursuant to a sublease agreement (the “*Agency Lease*”); (C) secure the Company’s borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company’s lenders; (D) provide the approved Financial Assistance in accordance with prior resolutions; and (E) execute and deliver any other documents necessary to effectuate the actions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

**Section 5.** The Chairman, Vice Chairman and the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified in Section 4 of this Resolution as well as the Lease Documents (as defined in the Inducement Resolution) and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution, as approved by the Chairman or Vice Chairman, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

**Section 6.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 7.** Bousquet Holstein, PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare, for submission to the (Vice) Chairman and/or Executive Director for execution and delivery, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

**Section 8.** The approvals provided for herein are contingent upon the Company's payment of all of the Agency's fees and costs, including but not limited to attorneys' fees.

**Section 9.** The Secretary and/or Executive Director of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 10.** This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, 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:

**AYE**

**NAY**

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 20, 2019, 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 \_\_\_ day of \_\_\_\_\_, 2019.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

---

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street  
Syracuse, NY 13202  
Tel (315) 473-3275

---

**EXECUTIVE SUMMARY**

**Agenda Item: 8**

**Title: Alan Byer Auto Sales Inc.**

**Requested By: Sue Katzoff**

**OBJECTIVE:** Approval of amended PILOT and Final resolutions relative to the Project.

**DESCRIPTION:**

**Direct expenditure of fund:**  Yes  No

**Type of financial assistance requested**

**PILOT**

**Sales Tax Exemption**

**Mortgage Recording Tax Exemption**

**Tax Exempt Bonds**

**Other**

**SUMMARY:** In December of 2018 the Directors approved an application for from the Company for a Project to be undertaken at its 25,000 sq. ft. automobile facility located at 1230 W. Genesee St. (Parcel 1) The Company proposed a renovation and upgrades of its Volvo dealership to meet current Volvo standards at a cost of \$3,365,000.00 and estimated 12 new jobs would be created as a result. Benefits approved included a sales tax exemption (\$140,000) a mortgage tax exemption (\$26,250) and a PILOT agreement utilizing a 10 year Standard schedule. Additionally the Board approved a temporary sales tax appointment through May 31, 2019 to assist the Company in executing necessary purchase orders from Volvo prior to closing. The Agency has since been advised by the Company's counsel of a discrepancy in the original application relative to the addition of two separate tax parcels to the Project the back lot – collision center (Parcel 2) and adjacent used car facility (Parcel 3). The three parcels encompass the Volvo Dealership but are owned by different entities. The Company submitted an amended application and a Public Hearing was held on April 16<sup>th</sup> to amend the Project description. Upon receipt of additional information from the Company, the Finance Committee at its meeting of July 8, 2019 approved a motion to recommend to the Board of Directors approval of an amended inducement and a temporary sales tax extension through September 13, 2019. Additionally the Committee requested that staff work with the City Assessor to resolve issues surrounding the structure of the PILOT with both an amended PILOT and Final Resolution to be considered at the Board's August meeting. (Continued above)

**ATTACHMENTS:**

1. Cost Benefit Analysis.
2. PILOT Resolution (Amended)
3. Final Resolution. (Amended)

In consultation with the Assessor the PILOT issues have now been resolved and a revised cost benefit analysis is attached. The Cost/Benefit ratio for the Project is 116.86:1. A reopened Public Hearing due to changes in the Cost Benefit analysis will be held immediately preceding the meeting of 8/20/19.

**REVIEWED BY:**

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

**Meeting:** August 20 2019

**Prepared By:** J. A. DeLaney

**Project Summary**

**1. Project:** Alan Byer Auto Sales Inc.et.al. **2. Project Number:** 0

**3. Location:** Syracuse **4. School District:** SCSD

**5. Tax Parcel(s):** 108.1-02-19,20,35.1 **6. Type of Project:** Automobile Sales & Service

<b>7. Total Project Cost:</b>	<b>\$ 3,365,000</b>
Land	\$ -
Site Work	\$ 500,000
Building	\$ 1,800,000
Furniture & Fixtures	\$ 750,000
Equipment	\$ 100,000
Equipment Subject to NYS Production Exemption	\$ -
Engineering/Architecture Fees	\$ 175,000
Financial Charges	\$ -
Legal Fees	\$ 40,000
Other	

<b>8. Total Jobs</b>	90
8A. Job Retention	78
8B: Job Creation (Next 5 Years)	12

**Cost Benefit Analysis:** Alan Byer Auto Sales Inc.et.al.

	Fiscal Impact (\$)
<b>Abatement Cost:</b>	<b>\$542,723</b>
Sales Tax	\$140,000
Mortgage Tax	\$26,250
Property Tax Relief (PILOT) 10yr	\$376,473
<b>New Investment:</b>	<b>\$63,423,993</b>
PILOT Payments 10yrs	\$1,055,831
Project Wages (10 yrs)	\$52,528,512
Construction Wages	\$0
Employee Benefits (10 years)	\$4,480,000
Project Capital Investment	\$3,325,000
New Sales Tax Generated	\$2,000,000
Agency Fees	\$34,650
<b>Benefit:Cost Ratio</b>	<b>116.86 :1</b>

## AMENDED PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by \_\_\_\_\_ and upon roll being called, the following members of the Agency were:

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

### **RESOLUTION APPROVING AN AMENDED PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT**

**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, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and 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 to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more "projects" (as defined in the Act); and by application dated October 23, 2018 (the "**Original Application**"), Alan Byer Auto Sales, Inc. and Alan I Byer Family Trust (collectively, the "**Original Company**"), requested the Agency undertake a certain project (the "**Original Project**") consisting of: (A)(i) the acquisition of an interest in approximately 1.89 acres of improved real property located at 1232-36 West Genesee Street (also known as 1230 West Genesee Street), in the City of Syracuse, New York (the "**Original Land**"); (ii) the renovation of an existing approximately 25,820 square foot building for use as an auto dealership, including but not limited to, renovation of interior showroom, sales offices and

reception areas, external replacement of entry, new exterior wall finishes, updated signage and roof replacement, all located on the Land (the “**Original Facility**”); (iii) the acquisition and installation in and at the Original Land and Original Facility of furniture, fixtures and equipment (the “**Original Equipment**” and together with the Original Land and the Original Facility, the “**Original Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Original Financial Assistance**”); (C) the appointment of the Original Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, renovation, equipping and completion of the Original Project Facility; and (D) the lease of the Original Land and Original Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Original Equipment pursuant to a bill of sale from the Original Company to the Agency; and the sublease of the Original Project Facility back to the Original Company pursuant to a sublease agreement; and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the Original Financial Assistance on December 18, 2018 pursuant to Section 859-a of the Act (the “**First Public Hearing**”), notice of which was published; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA; and

**WHEREAS**, by resolution adopted December 18, 2018 (the “**Original Inducement Resolution**”), the Agency authorized the undertaking, acquisition, reconstruction, renovation, equipping and completion of the Original Project and the execution and delivery of an agency agreement by and between the Original Company and the Agency (the “**Original Agency Agreement**”); and

**WHEREAS**, by Supplemental Application dated March, 2019 (the “**Supplemental Application**” and together with the Original Application, the “**Application**”), Alan Byer Auto Sales, Inc., Alan I Byer Family Trust, Stephen Gary Byer and West Genesee Realty Associates, LLC (collectively, the “**Company**”), advised the Agency of certain modifications to the Original Project as well as the Original Company, and requested the Agency undertake, at the request of the Company, a project (the “**Project**”) as amended and consisting of: (A)(i) the acquisition of an interest in: (1) approximately 1.89 acres of improved real property bearing tax map number 108.1-02-19 and commonly referred to as 1232-36 West Genesee Street (also known as 1230 West Genesee Street) (“**Parcel 1**”); (2) approximately 3 acres of improved real property bearing tax map number 108.1-02-35.1 and commonly referred to as 1232 West Genesee Street (rear) (“**Parcel 2**”); and (3) approximately 2 acres of improved real property bearing tax map number 108.1-02-20 and commonly referred to as 1288 West Genesee Street (“**Parcel 3**”), each in the City of Syracuse, New York (collectively, the “**Land**”); (ii) certain improvements, including but not limited to, an existing approximately 25,820 square foot building located on Parcel 1; an

existing approximately 17,000-square foot building located on Parcel 2; and an approximately 34,802 square foot building located on Parcel 3, all of which are served by common driveways, parking, and pedestrian walkways, and all of which comprise the Alan Byer Volvo facility (collectively, the “**Improvements**”); (iii) the renovation to the Improvements and the Land include, but are not limited to, the interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage, the existing basement, replacement of an area of deteriorating floor slab, refreshed directional pavement graphics and roof replacement (collectively with the Land and Improvements, the “**Facility**”); (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “**Equipment**” and together with the Land, Improvements and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**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 (D) 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 second public hearing with respect to the project and the proposed Financial Assistance on April 16, 2019 pursuant to Section 859-a of the Act (the “**Second Public Hearing**”), notice of which was published; and

**WHEREAS**, by resolution adopted July 16, 2019 (the “**Amended Inducement Resolution**”), the Agency authorized the undertaking, acquisition, reconstruction, renovation, equipping and completion of the Project and the execution and delivery of an agency agreement by and between the Company and the Agency (the “**Agency Agreement**”); and

**WHEREAS**, as part of the amended Project, the Company requested the Agency consider an amended payment in lieu of tax schedule (the “**PILOT**”), as more fully described on **Exhibit “A”** attached hereto, which schedule conforms with the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to General Municipal Law Section 874(4) and accounts for the additional parcels included in the Supplemental Application; and

**WHEREAS**, on August 20, 2019, the Agency reopened the public hearing with respect to the Project and in particular the cost benefit analysis as it relates to the proposed PILOT, which had not been completed at the time of the Second Public Hearing, pursuant to Section 859-a of the Act (the “**Third Public Hearing**”), notice of which was published on August 6, 2019, 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 August 5, 2019; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the proposed PILOT, as part of the Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse; and (ii) will not

result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will advance job opportunities in the State and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes 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, and the reasons presented by the Company in support of its request for the PILOT schedule, the Agency hereby approves and the (Vice) Chairman and Executive Director, acting individually, are each authorized to execute and deliver a PILOT agreement (the "**PILOT Agreement**") providing for the payment schedule attached as **Exhibit "A"** hereto, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions, and in consultation with the assessor for the City of Syracuse, New York, and consistent with this Resolution and as approved by the Chairman or Vice Chairman of the Agency upon the advice of counsel to the Agency. As a condition to the execution and delivery of the PILOT Agreement, the Company shall execute and deliver all of the Lease Documents (as defined in the Amended Inducement Resolution) and the final appointment of the Company as Agency's agent shall be in place.

(2) The (Vice) Chairman and/or Executive Director, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any and all such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein as the (Vice) Chairman shall approve, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(4) The Secretary and/or the Executive Director of the Agency are hereby authorized to 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.

(5) This Resolution shall take effect immediately, but is subject to execution by the Company of a PILOT Agreement, the Lease Documents and the Agreement (as defined in the

Amended Inducement Resolution) and all other resolutions and other related documents adopted and/or approved by the Agency and/or as set forth herein.

(6) A copy of this Resolution, together with the attachments hereto, 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:

**AYE**

**NAY**

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 20, 2019, with the original thereof on file in my office, and that the same (including any and 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 \_\_\_ day of \_\_\_\_\_, 2019.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**EXHIBIT "A"**

**PROPOSED PILOT SCHEDULE**

<i>Year</i>	<i>Amount</i>
1	\$89,798.97
2	\$91,594.95
3	\$93,426.85
4	\$95,295.39
5	\$97,201.30
6	\$99,145.32
7	\$101,128.23
8	\$114,927.21
9	\$129,237.71
10	\$144,074.65
<b>Total</b>	<b>\$1,055,830.59</b>

**AMENDED FINAL APPROVING RESOLUTION**

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by \_\_\_\_\_ and upon roll being called, the following members of the Agency were:

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**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**, Alan Byer Auto Sales, Inc. and Alan I Byer Family Trust (collectively, the "*Original Company*"), by application dated October 23, 2018 (the "*Original Application*"), requested the Agency undertake a certain project (the "*Original Project*") consisting of: (A)(i) the acquisition of an interest in approximately 1.89 acres of improved real property located at 1232-36 West Genesee Street (also known as 1230 West Genesee Street), in the City of Syracuse, New York (the "*Original Land*"); (ii) the renovation of an existing approximately 25,820 square foot building for use as an auto dealership, including but not limited to, renovation of interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage and roof replacement, all located on the Original Land (the "*Original Facility*"); (iii) the acquisition and installation in and at the Original Land and Original Facility of furniture, fixtures and equipment (the "*Original Equipment*" and together with the Original Land and the Original Facility, the "*Original Project Facility*"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State

and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Original Financial Assistance**”); (C) the appointment of the Original Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, renovation, equipping and completion of the Original Project Facility; and (D) the lease of the Original Land and Original Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Original Equipment pursuant to a bill of sale from the Original Company to the Agency; and the sublease of the Original Project Facility back to the Original 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 December 18, 2018 pursuant to Section 859-a of the Act (the “**First Public Hearing**”), notice of which was published; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency has examined the EAF prepared by the Company in order to classify the Project and has determined that the Project constitutes a “Type II” action as that term is defined under SEQRA; and

**WHEREAS**, by Supplemental Application dated March, 2019 (the “**Supplemental Application**” and together with the Original Application, the “**Application**”), Alan Byer Auto Sales, Inc., Alan I Byer Family Trust, Stephen Gary Byer and West Genesee Realty Associates, LLC (collectively, the “**Company**”), advised the Agency of certain modifications to the Original Project as well as the Original Company, and requested the Agency undertake, at the request of the Company, a project (the “**Project**”) as amended and consisting of: (A)(i) the acquisition of an interest in: (1) approximately 1.89 acres of improved real property bearing tax map number 108.1-02-19 and commonly referred to as 1232-36 West Genesee Street (also known as 1230 West Genesee Street) (“**Parcel 1**”); (2) approximately 3 acres of improved real property bearing tax map number 108.1-02-35.1 and commonly referred to as 1232 West Genesee Street (rear) (“**Parcel 2**”); and (3) approximately 2 acres of improved real property bearing tax map number 108.1-02-20 and commonly referred to as 1288 West Genesee Street (“**Parcel 3**”), each in the City of Syracuse, New York (collectively, the “**Land**”); (ii) certain improvements, including but not limited to, an existing approximately 25,820 square foot building located on Parcel 1; an existing approximately 17,000-square foot building located on Parcel 2; and an approximately 34,802 square foot building located on Parcel 3, all of which are served by common driveways, parking, and pedestrian walkways, and all of which comprise the Alan Byer Volvo facility (collectively, the “**Improvements**”); (iii) the renovation to the Improvements and the Land include, but are not limited to, the interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage, the existing basement, replacement of an area of deteriorating floor slab, refreshed directional pavement graphics and roof replacement (collectively with the Land and Improvements, the “**Facility**”); (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “**Equipment**” and together with the Land, Improvements and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (in accordance with

Section 874 of the General Municipal Law) (collectively the “*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 (D) 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 adopted a resolution on July 16, 2019 (the “*Amended Inducement Resolution*”) entitled:

**RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

which resolution is in full force and effect and has not been amended or modified; and

**WHEREAS**, on August 20, 2019, the Agency reopened the public hearing with respect to the Project and in particular the cost benefit analysis as it relates to the proposed PILOT, which had not been completed at the time of the Second Public Hearing, pursuant to Section 859-a of the Act (the “*Third Public Hearing*”), notice of which was published on August 6, 2019, 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 August 5, 2019; and

**WHEREAS**, the Agency adopted a resolution on August 20, 2019 (the “*Amended PILOT Resolution*”) entitled:

**RESOLUTION APPROVING AN AMENDED PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT**

which resolution is in full force and effect and has not been amended or modified; and

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

**Section 1.** Based upon the representations made by the Company to the Agency and after consideration of the comments received at the public hearing, if any, the Agency hereby ratifies its Amended Inducement Resolution and the Amended PILOT Resolution, and makes the following findings and determinations:

(a) The acquisition of a controlling interest in the Project Facility by the Agency, the granting of the approved Financial Assistance in accordance with the Amended Inducement Resolution, the Amended PILOT Resolution and the designation of the Company as the Agency's agent for completion of the Project will be an inducement to, and permit, the Company to develop and operate the Project Facility in the City of Syracuse, thus serving the public purposes of Article 18-A of the General Municipal Law of New York State by promoting and preserving the job opportunities, general prosperity, health and economic welfare of the inhabitants of the City of Syracuse (the "**City**") in furtherance of the purposes of the Act;

(b) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act;

(c) The commitment of the Agency to provide the approved Financial Assistance in accordance with the Amended Inducement Resolution and the Amended PILOT Resolution to the Company will enable and induce the Company to acquire, reconstruct, renovate, equip and complete the Project Facility;

(d) The acquisition, reconstruction, renovation, equipping and completion of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the City and the granting of the Financial Assistance is a necessary component to the financing of the Project;

(e) The Project Facility constitutes a "project" within the meaning of the Act;  
and

(f) It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

**Section 2.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by advancing job opportunities and promoting economic development.

**Section 3.** It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 4.** Subject to the conditions set forth in this and prior resolutions adopted by the Agency, the Project Agreement and the Agreement (each as defined in the Amended Inducement Resolution), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease or sell the Land and Facility from the Company pursuant to a lease or sale agreement between the Agency and the Company (the “*Company Lease*”); acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “*Bill of Sale*”); and sublease or sell the Project Facility to the Company pursuant to a sublease or sale agreement (the “*Agency Lease*”); (C) secure the Company’s borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company’s lenders(s); (D) provide the approved Financial Assistance; and (E) execute and deliver any other documents necessary to effectuate the actions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

**Section 5.** The (Vice) Chairman and the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified in Section 4 of this Resolution as well as the Lease Documents (as defined in the Amended Inducement Resolution) and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

**Section 6.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 7.** Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare, for submission to the (Vice)Chairman and/or the Executive Director, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

**Section 8.** The approvals provided for herein are contingent upon the Company’s payment of all of the Agency’s fees and costs, including but not limited to attorneys fees.

**Section 9.** The Secretary and/or Executive Director of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 10.** This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, 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:

**AYE**

**NAY**

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 20, 2019, 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 \_\_\_\_ day of August, 2019.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**Exhibit A PILOT Schedule**

<i>Year</i>	<i>Amount</i>
1	\$89,798.97
2	\$91,594.95
3	\$93,426.85
4	\$95,295.39
5	\$97,201.30
6	\$99,145.32
7	\$101,128.23
8	\$114,927.21
9	\$129,237.71
10	\$144,074.65
Total	\$1,055,830.59

---

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street  
Syracuse, NY 13202  
Tel (315) 473-3275

---

**EXECUTIVE SUMMARY**

**Agenda Item: 9**

**Title: Gerharz Equipment Inc.**

**Requested By: Sue Katzoff**

**OBJECTIVE:** Approval of a resolution authorizing both an increase in the Sales Tax Appointment approved for the Project and an extension of the appointment until September 30, 2020.

**DESCRIPTION:**

**Direct expenditure of fund:**  Yes  No

**Type of financial assistance requested**

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

**SUMMARY:** In July of 2018 the Agency Board of Directors approved financial assistance to the Company for a Project to be undertaken at 222 Teall Avenue (adjacent to the Teall Avenue Post Office). The Company proposed the acquisition of an 85,000 sq. ft. partially vacant building to be renovated to accommodate the merged operation of Gerharz Equipment Inc. a restaurant supply company along with that of Central Restaurant Supply, recently purchased by Gerharz. At completion of the project the merged company will occupy 65,000 sq. ft. of the building with the additional space to be leased to companies serving the food industry. The Company advised and continues to anticipate a job count of 41 retained jobs and 8 new FTEs. The cost of the Project was originally estimated to be \$4,965,000.00 and the Company was approved for benefits in the form of a mortgage tax exemption valued at \$37,700, a sales tax exemption valued at \$96,000 and a 10 Year PILOT agreement valued at \$154,966.79. The project is now underway and the Agency has received correspondence from the Company requesting an increase in the sales tax exemption benefit by \$124,800.00 due to an unexpected increase in the cost of construction as it has progressed. Cost of the Project is now estimated to be \$7,215,000.00. Because the increase in benefits exceeds \$100,000.00 a new Public Hearing is required. A Public Hearing on the Project is scheduled immediately preceding the Board meeting of August 20, 2019. The Agency's Finance Committee reviewed this request at its meeting of 8-19-19.

**ATTACHMENTS:**

1. Correspondence.
2. Supplemental Application
3. Cost Benefit Analysis.
4. Resolution.

**REVIEWED BY:**

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

**Meeting:** August 20, 2019

**Prepared By: J. A. Delaney**

PAUL W. REICHEL, ESQ.  
preichel@bsk.com  
P: 315.218.8135  
F: 315.218.8100

June 14, 2019

**VIA EMAIL**City of Syracuse Industrial Development Agency  
333 West Washington Street, Suite 130  
Syracuse, New York 13202  
Attention: Ms. Judith DeLaneyRe: Sage Teall Properties, LLC Project

Dear Judy:

We are writing on behalf of Sage Teall Properties, LLC (the "Company") to request an increase in the amount of sales tax exemptions authorized by Syracuse Industrial Development Agency ("SIDA") for the Company's project, and to request an extension of the term of SIDA's sales tax exemption.

In its original Application for Financial Assistance dated June 18, 2018, the Company estimated its purchases subject to sales tax would total \$1,200,000, resulting in a sales tax exemption of \$96,000. SIDA approved a sales tax exemption in this amount. SIDA's sales tax exemption letter dated November 1, 2018 allocated the sales tax exemption between (1) Company-controlled space and (2) space currently leased to third parties, which Company cannot renovate until the leases expire ("Leased Space"), as follows:

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&amp;E</u>	<u>Construction</u>	<u>FF&amp;E</u>
Exterior Work and Company-Controlled Space	July 1, 2019	\$1,950,000	\$230,000	\$47,000 (by 07/01/19)	\$18,400 (by 07/01/19)
Leased Space	April 1, 2020	<u>\$ 850,000</u>	<u>\$120,000</u>	<u>\$21,000</u> (by 04/01/20)	<u>\$ 9,600</u> (by 04/01/20)
Total		<u>\$2,800,000</u>	<u>\$350,000</u>	<u>\$68,000</u>	<u>\$28,000</u>

The Company closed on its purchase of the property on November 13, 2018. Its contractors and design professionals then provided more specific budgets/estimates, which were significantly higher than expected. Also, during the course of the work over

the last few months, there have been change orders that increased the project cost. Moreover, the Company originally estimated that 30 percent of construction costs are attributable to taxable materials. The better estimate is 40 percent. As a result, although the project scope has not significantly changed, the estimated cost and sales tax have increased substantially.

Following is an updated table showing the revised cost and sales tax exemption estimates (including updated completion dates):

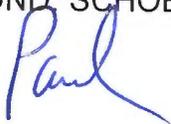
<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&amp;E</u>	<u>Construction</u>	<u>FF&amp;E</u>
Exterior Work and Company-Controlled Space	September 1, 2019	\$3,000,000	\$ 600,000	\$96,000 (by 09/01/19)	\$48,000 (by 09/01/19)
Leased Space	July 1, 2020	<u>1,400,000</u>	<u>\$ 400,000</u>	<u>\$44,800</u> by 07/01/20	<u>\$32,000</u> (by 07/01/20)
Total		<u>\$4,400,000</u>	<u>\$1,000,000</u>	<u>\$140,800</u>	<u>\$80,000</u>

On behalf of the Company, we request that SIDA please authorize an increase in the amount of sales tax exemptions for the project, from \$96,000 to \$220,800, allocated between Company-controlled space and Leased Space as set forth above.

Thank you for your consideration. Please let us know if you have any questions or need further information.

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Paul W. Reichel

PWR/cy

cc: Mr. Scott Gerharz  
Susan Katzoff, Esq.

City of Syracuse Industrial Development Agency  
Supplemental Application and Verification

Project Name:

GERHARD Equipmat / Sage-Tessell Properties

Date:

7/2/2019

### III. PROJECT COSTS & FINANCING

#### A. Estimated Project Costs

i. State the costs reasonably necessary for the acquisition, construction, and/or renovation of the Project:

Description of Cost Type	Total Budget Amount
Land Acquisition	1,650,000 <sup>00</sup>
Site Work/Demo	772,540 <sup>00</sup>
Building Construction & Renovation	2,225,000 Phase I / 1,200,000 Phase II starts 1/1/2020
Furniture & Fixtures	560,000
Equipment	200,000
Equipment Subject to NYS Production Sales Tax Exemption (Manufacturing)	
Engineering/Architects Fees	226,380 <sup>00</sup>
Financial Charges	
Legal Fees	30,000 <sup>00</sup>
Other	
Management /Developer Fee	
Total Project Cost	6,863,920

ii. State the sources reasonably anticipated for the acquisition, construction, and/or renovation of the Project:

Amount of capital the Applicant has invested to date:	2,900,000 <sup>00</sup>
Amount of capital Applicant intends to invest in the Project through completion:	6,863,920 <sup>00</sup>
Total amount of public sector source funds allocated to the Project:	
Identify each public sector source of funding:	
Percentage of the Project to be financed from private sector sources:	100%
Total Project Cost	

#### B. Financial Assistance sought (estimated values):

Applicants requesting exemptions and/or abatements from SIDA must provide the estimated value of the savings they anticipate receiving. **New York State regulations require SIDA to recapture any benefit that exceeds the amount listed in this application.**

i. Is the Applicant expecting that the financing of the Project will be secured by one or mortgages?  Yes  No

If yes, amount requested and name of lender:

3,700,000 NBT Bank

ii. Is the Applicant expecting to be appointed agent of the Agency for purposes of abating payments of NYS Sales and Use Tax?  Yes  No

If yes, what is the TOTAL amount of purchases subject to exemption based on taxable Project costs?

2,760,000

iii. Is the Applicant requesting a payment in lieu of tax agreement (PILOT) for the purpose of a real property tax abatement?  Yes  No

If yes, Category of PILOT requested:

iv. Is the Applicant requesting any real property tax abatement that is **inconsistent** with the Agency's UTEP?

Yes  No

If yes, please contact the Executive Director prior to submission of this Application.

v. Upon acceptance of this Application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attach such information as Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit be granted by the Agency.

**\*\* This Application will not be deemed complete and final until Exhibit A hereto has been completed and executed\*\***

C. Type of Exemption/Abatement Requested:

Amount of Exemption/Abatement Requested:

<input checked="" type="checkbox"/>	Real Property Tax Abatement (PILOT)	
<input checked="" type="checkbox"/>	Mortgage Recording Tax Exemption (.75% of amount mortgaged)	10,125 (.75% of 1,350,000)
<input checked="" type="checkbox"/>	Sales and Use Tax Exemption (\$4% Local, 4% State)	220,800 (8% of 2,760,000)
<input type="checkbox"/>	Tax Exempt Bond Financing (Amount Requested)	
<input type="checkbox"/>	Taxable Bond Financing (Amount Requested)	

D. Company's average yearly purchases or anticipated yearly purchases from vendors within Onondaga County, subject to sales tax:

250,000 <sup>most of our purchases</sup> are tax exempt for resale.

E. Estimated capital investment over the next 5 years, beyond this Project, if available:

500,000 <sup>est</sup>

#### IV. EMPLOYMENT AND PAYROLL INFORMATION

\* Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

A. Are there people currently employed at the Project site? *We hoped to be moved in by mid-August*

Yes  No If yes, provide number of full time equivalent (FTE) jobs at the facility:

B. Complete the following:

Estimate the number of full time equivalent (FTE) jobs to be retained as a result of this Project:	40.5
Estimate the number of construction jobs to be created by this Project:	125
Estimate the average length of construction jobs to be created (months):	8 months
Current annual payroll at facility:	1.9 million
Average annual growth rate of wages:	3%
Please list, if any, benefits that will be available to either full and/or part time employees:	paid medical (50%), paid vacation, 401k with Safe Harbor Match, paid holidays
Average annual benefit paid by the company (\$ or % salary) per FTE job:	Approx 30% of salary
Average growth rate of benefit cost:	15% a year on medical
Amount or percent of wage employees pay for benefits:	10%
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	100%

C. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, third, fourth, and fifth years after the Project is completed. Jobs should be listed by title or category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. **Do not include construction workers.**

Current & Planned Full Time Occupations (Job Titles)	Current Number of FTEs	Annual Salary	Estimated Number of FTE Jobs After Project Completion					
			End of Year 1	End of Year 2	End of Year 3	End of Year 4	Total New Jobs After 5 Years	Total Retained Jobs After 5 Years
Skilled	28	Aug 25 <sup>02</sup> /hr	28	29	32	34	36	9
Semi-Skilled	9	Aug 10 <sup>02</sup> /hr	9	10	11	12	12	3

For purposes of completing the chart, refer to the following definitions, in lieu of current titles:

- **Professional/Managerial/Technical** - includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (examples: architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).
- **Skilled** - includes jobs that require specific skill sets, education, training, and experience and are generally characterized by high education or expertise levels (examples: electrician, computer operator, administrative assistant, carpenter, sales representative).
- **Unskilled or Semi-Skilled** - includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (examples: general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

D. Are the employees of your company currently covered by a collective bargaining agreement?

Yes  No If yes, provide the Name and Local:

**V. Environmental Information**

\*An Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. Please visit <https://www.dec.ny.gov/permits/6191.html> for the online EAF Mapper Application and EAF Forms.

A. Have any environmental issues been identified on the property?

Yes  No Seller has addressed all issues

If yes, please explain:

B. Has any public body issued a State Environmental Quality Review Act determination for this Project?

Yes  No

If yes, please attach to this application.

**APPENDIX B**

**Verification**

STATE OF New York )  
 ) SS.:

COUNTY OF Onondaga

Scott A. Gerharz, deposes and says that s/he is the  
(Name of Individual)

President of Gerharz Equipment / Sage Tech / Properties  
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and papers of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with, all such policies.

[Signature]  
Applicant Representative's Signature  
President  
Title

Subscribed and sworn to before me this

22nd day of July, 2019

[Signature]  
Notary Public

SANDRA J. HALLIHAN  
Lic. #4860160  
Notary Public - State of New York  
Qualified in Onondaga County  
My Commission Expires MAY 27, 2022

**Project Summary**

**1. Project:** Gerharz Equipment Inc      **2. Project Number:** 0

**3. Location:** Syracuse      **4. School District:** SCSD

**5. Tax Parcel(s):** 032.1-01-27.0      **6. Type of Project:** Commercial

<b>7. Total Project Cost:</b>	<b>\$ 6,863,920</b>	<b>8. Total Jobs</b>	48
Land	\$ 1,650,000	8A. Job Retention	40
Site Work	\$ 772,540		
Building	\$ 3,425,000	8B: Job Creation	8
Furniture & Fixtures	\$ 560,000	(Next 5 Years)	
Equipment	\$ 200,000		
Equipment Subject to NYS Production Exemption	\$ -		
Engineering/Architecture Fees	\$ 226,380		
Financial Charges	\$ -		
Legal Fees	\$ 30,000		
Other	\$ -		

<b>Cost Benefit Analysis:</b>	Gerharz Equipment Inc	
	<b>Fiscal Impact (\$)</b>	
<b>Abatement Cost:</b>		<b>\$413,267</b>
Sales Tax	\$220,800	
Mortgage Tax	\$37,500	
Property Tax Relief (PILOT) 10yr	\$154,967	
<b>New Investment:</b>		<b>\$44,952,301</b>
PILOT Payments 10yrs	\$752,556	
Project Wages (10 yrs)	\$26,588,893	
Construction Wages	\$2,720,625	
Employee Benefits (10 years)	\$7,976,668	
Project Capital Investment	\$6,833,920	
New Sales Tax Generated	\$10,000	
Agency Fees	\$69,639	
<b>Benefit:Cost Ratio</b>	<b>108.77 :1</b>	

**APPROVING RESOLUTION**

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 20, 2019 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by \_\_\_\_\_ and upon roll being called, the following members of the Agency were:

**PRESENT:**

**THE FOLLOWING PERSONS WERE ALSO PRESENT:**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION APPROVING AN INCREASE IN THE AMOUNT OF STATE AND LOCAL SALES AND USE TAX EXEMPTIONS AWARDED TO THE PROJECT; AND AN EXTENSION OF THE SALES TAX APPOINTMENT OF SAGE TEALL PROPERTIES, LLC AS AGENT OF THE AGENCY UNTIL SEPTEMBER 30, 2020 AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

**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**, at the request of Sage Teall Properties, LLC (the “*Company*”), by resolution dated August 21, 2018 (the “*Inducement Resolution*”) the Agency agreed to undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of an interest in approximately 4.5 acres of improved real property located at 220-22 Teall Avenue, in the City of Syracuse, New York (the “*Land*”); (ii) the renovation of an existing approximately 85,000 square foot building for use in the wholesale and retail sale of foodservice equipment, supplies and design solutions primarily to restaurants and food service operators, including but not limited to the installation of a new roof, lights, windows, HVAC, painting, landscaping and resurfacing of parking lot, all located on the Land (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 real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, renovation, equipping and completion of the Project Facility; and (D) 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**, in or about November 2018, the Company and Agency entered into a lease transaction to effectuate the undertaking of the Project and the conference of the approved Financial Assistance (the “**Lease Transaction**”). As part of the Lease Transaction, the Company was appointed as the agent of the Agency through and including April 1, 2020 for purposes of undertaking and completing the Project Facility and was awarded an amount not to exceed \$96,000 in exemptions from State and local sales and use tax (the “**Appointment**”); and

**WHEREAS**, the award of sales and use tax exemption was bifurcated between the work being done on the exterior of the Project Facility and the Company controlled interior space and that of the areas then under leases with third parties. The allocation and timing of use were as follows:

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&amp;E</u>	<u>Construction</u>	<u>FF&amp;E</u>
Exterior work and Company-controlled space	July 1, 2019	\$1,950,000	\$230,000	\$47,000 (by 07/01/19)	\$18,400 (by 07/01/19)
Leased space	April 1, 2020	\$850,000	\$120,000	\$21,000 (by 04/01/20)	\$9,600 (by 04/01/20)

**WHEREAS**, as of December 31, 2018 the Company had realized \$761.00 in State and local sales and use tax exemptions leaving, as of December 31, 2018, a balance in the amount of \$95,239.00 of unused exemption remaining available for the Project (the “**Remaining Exemption**”); and

**WHEREAS**, by letter dated June 14, 2019, the Company requested an increase in the amount of exemption from State and local sales and use tax forming part of the Financial Assistance from \$96,000 to \$220,800 (the “**Increase**”). The Increase request is due to their receipt of significantly higher than expected budgets and estimates from contractors and design professionals following the purchase of the property, in addition to their need to take an additional 10,000 sq. ft of the space for their own use. In addition, unforeseen mechanical and demo/abatement issues required a significant increase in engineering expertise coupled with under-budgeting on the FFE costs resulted in a substantial increase in the Project costs. Finally,

the Company advised that while the scope of the Project has not changed significantly, it originally estimated that 30% of construction costs to be attributable to taxable materials however has since realized the estimate is closer to 40%; and

**WHEREAS**, the following is the updated allocation provided by the Company showing the revised cost and sales tax exemption estimates (including updated completion dates):

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&amp;E</u>	<u>Construction</u>	<u>FF&amp;E</u>
		Exterior Work and Company-Controlled Space	September 1, 2019	\$3,000,000	\$ 600,000
Leased Space	July 1, 2020	<u>1,400,000</u>	<u>\$ 400,000</u>	<u>\$44,800</u> by 07/01/20	<u>\$32,000</u> (by 07/01/20)
Total		<u>\$4,400,000</u>	<u>\$1,000,000</u>	<u>\$140,800</u>	<u>\$80,000</u>

**WHEREAS**, by letter dated June 14, 2019, the Company is requesting the Agency approve an extension of their Appointment from April 1, 2020 through and including September 30, 2020 to provide them an opportunity to complete the Project (the "**Extension**"); and

**WHEREAS**, in connection with the Extension and Increase, certain of the Lease Documents (as defined herein below) may need to be amended to extend their terms to be coterminous with the Extension (the "**Amendments**"); and

**WHEREAS**, the Project underwent an environmental review by the Agency pursuant to SEQRA, and the requested Extension, Increase and Amendments are not substantial and do not require reconsideration or further review by the Agency under SEQRA; and

**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, including but not limited to there being no event of default under the Lease Documents, the Agency hereby makes the following findings and determinations:

(a) The granting of the Extension, the Increase and Amendments do not require reconsideration or further review by the Agency under SEQRA.

(b) The Agency authorizes the Extension, the Increase and the Amendments for purposes of undertaking and completing the Project through and including September 30, 2020, conditioned upon the Company: (i) representing and warranting that there are no events of default under any of the documents executed and delivered by the Company in conjunction with the Lease Transaction (the "**Lease Documents**"); (ii) confirming that all insurance executed and delivered in conjunction with the Project and the Lease Transaction remains in full force and

effect and will submit to the Agency, if directed, current proof of insurance naming the Agency as an additional insured pursuant to the Agency's requirements under the Lease Documents; (iii) submitting to the Agency any applicable information requested by the Agency with respect to the Extension and the Amendments so that they can accurately track and report as required under the Act; (iv) submitting any applicable administrative fees and all legal fees incurred by the Agency in exchange for the Agency's grant of the Increase and the Amendments; and (v) submitting any proof required by the Agency demonstrating that the Company has not realized State and local sales and use tax exemptions in excess of what was authorized for the Project.

(2) The Agency is authorized to execute any and all documents necessary to effectuate the Extension and the Increase including but not limited to revisions or amendments of the Lease Documents, issuance of a new Sales Tax Appointment Letter and an amendment or extension of the appropriate "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for each of the entities; and each the Chairman, the Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the documents upon the advice of counsel to the Agency. The execution thereof by the Chairman, the Vice Chairman and/or the Executive Director constitutes conclusive evidence of such approval.

(3) The Company shall execute and deliver any and all documents required by the Agency in connection with the Extension, the Increase and the Amendments and to carry out the intent of this Resolution; and

(4) The Company shall provide or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the Agency and the State Commissioner of Taxation and Finance (the "**Commissioner**") upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request.

(5) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

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

(7) A copy of this Resolution, together with any attachments hereto, 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:

AYE

NAY

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 20, 2019, 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 \_\_\_ day of August, 2019.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

---

**City of Syracuse**  
**Industrial Development Agency**  
201 East Washington Street  
Syracuse, NY 13202  
Tel (315) 473-3275

---

**EXECUTIVE SUMMARY**

**Agenda Item: 10**

**Title: 327 Montgomery Street**

**Requested By: Sue Katzoff**

**OBJECTIVE:** Approval of a proposal for appraisal services in an amount not to exceed \$2450.00.

**DESCRIPTION:**

**Direct expenditure of fund:**  Yes  No

**Type of financial assistance requested**

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

**SUMMARY:**

**ATTACHMENTS:**

1. Proposal - Under separate cover.

**REVIEWED BY:**

Executive Director

Audit Committee

Governance Committee

Finance Committee

**Meeting:** August 20, 2019

**Prepared By: J.A. DeLaney**