

INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on December 17, 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 the Chairman and upon the roll being duly called, the following members were:

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

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Judith DeLaney, Susan Katzoff, Esq., John Vavonese, Debra Ramsey-Burns; Others Present: Jeremy Cali, Thomas Douglas, Suzanne Stack, Donna Hanover, Laura Cueva, Matthew Paulus, Aggie Lane, Joshua Werbeck, Esq., Eric Ennis, Jennifer Tifft, Timothy Lynn, Esq. Mike Palermo; Media: Rick Moriarty

The following resolution was offered by Rickey T. Brown and seconded by Kenneth Kinsey:

RESOLUTION APPROVING THE UNDERTAKING BY THE ISSUER OF A CERTAIN PROJECT CONSISTING OF THE ACQUISITION BY THE ISSUER OF AN INTEREST IN, AND RECONSTRUCTION, RENOVATION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF EXISTING SCHOOL BUILDINGS AT THE REQUEST OF THE SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD AND THE ISSUANCE OF ONE OR MORE SERIES OF THE ISSUER'S TAX-EXEMPT AND/OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SERIES 2020A) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$108,000,000 TO FINANCE THE COST THEREOF, THE COSTS OF SUCH ISSUANCE AND FUNDING CAPITALIZED INTEREST AND A DEBT SERVICE RESERVE FUND, IF ANY

WHEREAS, the City of Syracuse Industrial Development Agency (the "*Agency*") of the "*Issuer*") 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 (the "*Enabling Act*"), together with Section 926 of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, 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 issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction, renovation, rehabilitation and equipping of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct, renovate, rehabilitate and equip said projects or to cause said projects to be acquired, constructed, reconstructed and equipped and to convey said projects; and

WHEREAS, Section 16(a) of Chapter 58 A-4 of the Laws of 2006, as amended from time to time, (the “*Syracuse Schools Act*”) of the State of New York (the “*State*”) provides that notwithstanding any limitations contained in the Act, a “project” (as defined in the Syracuse Schools Act) undertaken pursuant to the Syracuse Schools Act shall be a “project” within the definition and for the purposes of the Act which may be financed by the Agency; and

WHEREAS, the Syracuse Joint School Construction Board (the “*JSCB*”) was established pursuant to the Syracuse Schools Act and an agreement dated April 1, 2004 (the “*Intermunicipal Agreement*”) by and between the City of Syracuse (the “*City*”) and the Board of Education of the City School District of the City of Syracuse (the “*School District*”); and

WHEREAS, the JSCB developed and adopted a program, pursuant to the Syracuse Schools Act and the Intermunicipal Agreement which encompasses a multi-phase comprehensive redevelopment program for the reconstruction of existing public schools for the SCSD (the “*Program*”) which includes both Phase I and Phase II (as each defined herein) of the Program; and

WHEREAS, the Syracuse Schools Act authorized the first phase of the Program for various schools at a cost not to exceed \$225,000,000 (“*Phase I*”) which included Central Technical High School, Fowler High School, H.W. Smith Pre-K-8 School and Dr. Weeks Elementary, Clary Middle School and Bellevue Academy at Shea. The JSCB has closed all Phase I projects; and

WHEREAS, legislation authorizing the second phase of the of the Program (“*Phase II*”) at a cost not to exceed \$300 million was enacted on October 25, 2013 and subsequent legislation enacted on March 17, 2014 specified 15 buildings to be included in Phase II, including but not limited to the Facilities (as defined herein below); and

WHEREAS, pursuant to the Syracuse Schools Act, the JSCB, acting on behalf of the School District and the City, submitted a proposed financial plan (the “*Plan*”) with respect to Phase II to the Office of the Comptroller of the State of New York (the “*OSC*”); and

WHEREAS, the OSC notified the JSCB of its approval of the Plan on or about January 12, 2018 (“*OSC Approval*”); and

WHEREAS, by applications submitted in October, 2019 (collectively, the "**Application**"), JSCB, acting as agent of the City of Syracuse, New York (the "**City**") and the City School District of the City of Syracuse (the "**SCSD**"), requested the Agency issue and sell one or more series of its tax-exempt and/or taxable School Facility Revenue Bonds ("**Series 2020A Bonds**") in an aggregate principal amount not to exceed to \$108,000,000 to finance all or a portion of the costs of a project known as the "**Series 2020A Project**" consisting of: (A)(i) the acquisition or continuation by the Agency of an interest in the following existing school buildings known as Clary Middle School, Danforth Middle School (Brighton Academy), Expeditionary Learning Middle School, Henninger High School and Public Service Leadership Academy at Fowler High School (collectively, the "**Buildings**"); (ii) the reconstruction, renovation, rehabilitation and improvements (including, but not limited to, some or all of the following at the Buildings) to the: bathrooms, locker rooms, classrooms, library, gym, auditorium, pool, cafeteria, lighting, doors, windows, roofs, site improvements, including, but not limited to, foundations, façades, sidewalks and parking lots and interior site improvements, including but not limited to, paint, flooring, lockers, security, fire alarms and suppression and mechanical upgrades such as HVAC, electrical and plumbing; and the construction of an approximately 19,000 sq. ft. addition to house classrooms at Henninger High School and the renovation of approximately 3.3 acres of land at Public Service Leadership Academy at Fowler High School to construct new athletic fields, a track and stadium with seating for approximately 1,300 spectators; and (B) the acquisition and installation in and around the Buildings of certain items of equipment, furnishings, fixtures, other incidental and appurtenant tangible personal property, related site and façade work and asphalt (collectively, the "**Equipment**" and together with the Buildings, collectively, the "**Facilities**") necessary and attendant to the use of the Buildings as schools by the City and the SCSD; and (C) the financing of all or a portion of the costs thereof (including funding capitalized interest for the Series 2020A Project, financing certain costs of issuance and funding a debt service reserve fund, if any, associated with the Series 2020A Project) by the issuance of the Series 2020A Bonds; and

WHEREAS, the JSCB, on behalf of the City and the School District, has requested the Agency consider reducing its administrative fee from 1% to .5% of the par amount of the Series 2020A Bonds for the benefit of the Series 2020A Project; and

WHEREAS, by Resolution No. #0717-015 adopted July 12, 2017, the School District approved the plans and specifications regarding Fowler/PSLA - High School for the Series 2020A Project; and

WHEREAS, by Resolution No. #0718-029 adopted July 11, 2018, the School District approved the plans and specifications regarding Clary Middle School for the Series 2020A Project; and

WHEREAS, by Resolution No. #0718-030 adopted July 11, 2018, the School District approved the plans and specifications regarding Expeditionary Learning Middle School for the Series 2020A Project; and

WHEREAS, by Resolution No. #0718-031 adopted July 11, 2018, the School District approved the plans and specifications regarding Danforth Middle School for the Series 2020A Project; and

WHEREAS, by Resolution No. #0818-051 adopted August 8, 2018, the School District approved the plans and specifications regarding Henninger High School for the Series 2020A Project; and

WHEREAS, by Resolution No. #1019-064 adopted October 9, 2019, the School District approved the transactions and execution and delivery of certain documents contemplated in connection with the issuance of the Series 2020A Bonds to finance the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to review and determine all projects for environmental impact. The Agency's review of the 2019 Project included the anticipated improvements in the Series 2020A Project. By resolution adopted February 19, 2019, the Agency determined that the improvements encompassed by the Series 2020A Project will not have a “significant effect on the environment” (as such quoted terms are defined in *SEQRA*); and as a consequence of the foregoing, on February 19, 2019, the Agency has issued a Negative Declaration with respect thereto; and

WHEREAS, notice of a public hearing with respect to the Series 2020A Project was printed in the *Post Standard*, a newspaper of general circulation in the City of Syracuse on December 5, 2019 in accordance with Section 859-a of the Act; and

WHEREAS, by letter dated December 3, 2019, notice of the public hearing with respect to the Series 2020A Project was mailed to the chief executive officer of each affected tax jurisdiction in accordance with Section 859-a of the Act; and

WHEREAS, pursuant to Section 859-a of the Act, the Agency conducted a public hearing on December 17, 2019 with respect to the Series 2020A Project and the issuance of the Series 2020A Bonds; and

WHEREAS, the Agency has given due consideration to the Application and the Series 2020A Project and the representations by the JSCB that undertaking the Series 2020A Project and issuing the Series 2020A Bonds: (a) will be an inducement to the JSCB, the City and the School District to reconstruct, renovate, rehabilitate, equip and continue to operate the Facilities in the City of Syracuse; and (b) will not result in the removal of any commercial, industrial, fabricating or manufacturing plant or facility of the City, the School District or any other proposed occupant of the Facilities from one area of the State to another area of the State or in the abandonment of one or more plants or facilities thereof located in the State; and

WHEREAS, the resolution authorizing the issuance of the Series 2020A Bonds has not yet been approved by the Agency.

NOW, THEREFORE, be it resolved by 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.

Section 2. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain 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 3. Based upon representations made by the JSCB to the Agency, the Agency makes the following findings and determinations:

- a) The Facilities constitute a “project” within the meaning of the Act and the Syracuse Schools Act.
- b) The issuance of the Series 2020A Bonds will be an inducement to the JSCB, the City and the School District to acquire, reconstruct, renovate, rehabilitate, improve, equip and continue to operate the Facilities in the City of Syracuse.
- c) The issuance of the Series 2020A Bonds is necessary to induce the JSCB to reconstruct, rehabilitate, improve and equip the Facilities, is essential to the proper administration of the public schools within the City, meets the essential needs of the students and residents, respectively, of the School District and the City.
- d) The Series 2020A Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the JSCB, the City or the School District or of any other proposed occupant of the Facilities from one area of the State to another area of the State or in the abandonment of one or more plants or facilities thereof located in the State.
- e) It is desirable and in the public interest for the Agency to issue its Series 2020A Bonds to finance the cost of the Facilities, together with certain related costs, in an aggregate amount not to exceed \$108,000,000.
- f) To reduce its administrative fee from 1% of the par amount of the Series 2020A Bonds to .5%.

Section 4. Subject to the conditions set forth in the last sentence of this Section 4 and the Inducement Resolution, the Agency will: (a) issue the Series 2020A Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions to be determined by a further resolution of the Agency; (b) acquire, reconstruct, renovate, rehabilitate, improve and equip the Facilities; (c) lease with an obligation to purchase or sell the Facilities to the City and the School District pursuant to an agreement to be entered into between the Agency, the City, the School District and the JSCB whereby the City and the School District will be obligated, among other things, to make payments to the Agency in amounts and at a time so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2020A Bonds; and (d) secure the Series 2020A Bonds in such manner as the Agency, the JSCB, the City and the School District and the purchaser(s) of the Series 2020A Bonds mutually deem appropriate. The issuance of the 2020A Bonds contemplated by this Resolution is subject to: (i) obtaining all necessary governmental approvals and determinations; (ii) approval by the Agency of the form and substance of the Series 2020A Bonds, the agreements and other documents necessary or desirable in connection with the authorization, issuance, sale and delivery of the Series 2020A Bonds; (iii) agreement by the Agency, the JSCB and the purchaser(s) of the Series 2020A Bonds upon mutually satisfactory terms for the bonds (and any such additional bonds) and for the sale and delivery thereof; (iv) the condition that there are no changes in the Internal Revenue Code of 1986, as amended (the “*Code*”) and New York State Law, including regulations thereunder, which prohibit or limit the Agency from fulfilling its obligations hereunder; and (v) payment by the JSCB of the Agency’s administrative fee in the amount of one-half of one percent (0.5%) of the par amount of the Series 2020A Bonds, the Bond Issuance Charge, all costs and expenses of the Agency with respect to the Bond transaction, including counsel and bond counsel fees and receipt of all approvals from other involved boards, the City and agencies, as may be necessary.

Section 5. Subject to the compliance by the JSCB with the terms of this Resolution, the JSCB is appointed the true and lawful agent of the Agency: (1) to acquire, reconstruct, renovate, rehabilitate, improve and equip the Facilities; and (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for acquiring, reconstructing, rehabilitating, improving and equipping the Facilities, all with the same powers and same validity as if the Agency were acting on its own behalf.

Section 6. The law firm of Bousquet Holstein PLLC is hereby appointed bond counsel (“*Bond Counsel*”) to the Agency in relation to the proposed issuance of the Series 2020A Bonds contemplated by the Application.

Section 7. Counsel to the Agency and Bond Counsel for the Agency are hereby authorized to work with the JSCB, the purchaser(s) of the Series 2020A Bonds and others to prepare, for submission to the Agency, all documents necessary to effect the authorization, issuance, sale and delivery of the Series 2020A Bonds.

Section 8. The (Vice) Chairman and the Executive Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the JSCB and to do such

further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 9. No covenant, stipulation, obligation or agreement contained in this Resolution 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 and neither the members of the Agency nor any officer executing the Series 2020A Bonds shall be liable personally on the Series 2020A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Neither the members nor officers of the Agency, nor any person executing the Series Bonds or other 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, issuance or delivery thereof. The Series 2020A Bonds and the interest therein shall not be a debt of the State or the City or any political subdivision thereof (other than the Agency), and none of the State, the City nor any political subdivision thereof (other than the Agency) shall be liable thereon. The Series 2020A Bonds shall be issued solely for the purposes set forth in this Resolution. The Series 2020A Bonds and the interest thereon shall constitute a special, limited obligation of the Agency payable solely from the revenues derived or to be derived from the lease, sale or other disposition of the Facilities and from the enforcement of the security pledged to the payment of the Series 2020A Bonds.

Section 10. Any expense incurred by the Agency with respect to the Series 2020A Project and the financing thereof shall be reimbursed out of the proceeds of the Series 2020A Bonds or, in the event such proceeds are insufficient after payment of other costs of the Series 2020A Project, or the Series 2020A Bonds are not issued by the Agency for any reason whatsoever, shall be paid by the JSCB.

Section 11. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of an Environmental Compliance and Indemnification Agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel by the School District, and satisfaction of all conditions set forth herein and in all other resolutions adopted by the Agency in conjunction with the Series 2020A Bonds.

Section 12. Should the Agency's participation in the Series 2020A Project be challenged by any party, in the courts or otherwise, the JSCB 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 Series 2020A Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the JSCB hereunder or otherwise.

Section 13. This Resolution shall take effect immediately, and shall expire one (1) year from the date hereof.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on December 17, 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 20 day of December, 2019.

City of Syracuse Industrial Development Agency



Rickey T. Brown, Secretary

(SEAL)