

PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on September 18, 2018 at 8:30 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 roll being called, the following members of the Agency were:

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

EXCUSED: Rickey T. Brown

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Susan Katzoff, Esq., Debra Ramsey-Burns; Others Present: Lauryn LaBorde, Aggie Lane, Jim Mason, Peter King, Mitch Latimer, Mel Menan, Rich Puchalski, Kevin Caraccioli, Esq.

The following resolution was offered by Kathleen Murphy and seconded by Steven Thompson:

RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS OR AMENDMENTS BY THE AGENCY IN CONNECTION WITH THE PAYMENT IN LIEU OF TAX SCHEDULE AND 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

WHEREAS, by application dated October 18, 2017 (the "**Application**"), 321 South

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

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

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

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

WHEREAS, on or about February 6, 2018, the Agency and the Company closed on the lease transaction for the Project (the "**Closing**"); and

WHEREAS, on or about August 7, 2018 the Company advised of certain unanticipated changes which significantly impacted the financial pro forma for the Project. As originally proposed, the Company intended to maintain the two historic buildings as independent buildings which would have benefited from a 485-a tax

exemption under State law. However, a State variance mandates the Company *either*: (i) undertake additional improvements to the separate properties (including but not limited to separate water and sprinkler service) at a cost in excess of \$200,000; or (ii) combine the adjacent buildings into one unit (the "*Re-Subdivision*"). The additional cost associated with the variance requirements was not included in the Company's budget for the Project. In addition, the combination of the buildings will result in the loss of all or part of the 485-a tax exemption previously relied upon by the Company. As a result, the Project's financial viability is in jeopardy. As such, the Company is requesting the Agency consider and approve additional financial assistance for the benefit of the Project in the form of a fifteen (15) year payment in lieu of taxes schedule and agreement (the "*Additional Financial Assistance*"), as more fully described on **Exhibit "A"** attached hereto, which payment in lieu of taxes (the "*PILOT*") schedule conforms with the Agency's Uniform Tax Exemption Policy ("*UTEF*") established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Agency conducted a public hearing with respect to the Company's request for the Additional Financial Assistance on September 18, 2018 pursuant to Section 859-a of the Act, notice of which was originally published on August 30, 2018, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated August 29, 2018; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the proposed Additional Financial Assistance: (i) will allow 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) 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 Additional Financial Assistance, the Agency hereby ratifies all of its prior resolutions adopted in conjunction with the Project, including but not limited to, the SEQRA Resolution, the Inducement Resolution and the Final Approving Resolution.

(2) The approval of the Additional Financial Assistance and the execution and delivery of the documents related thereto will not result in a change to the Project as originally considered and therefore no further SEQRA action is required.

(3) The (Vice) Chairman and Executive Director, acting individually, are each hereby 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 consistent with this Resolution and as approved by the Chairman or Vice Chairman of the Agency upon the advice of counsel to the Agency.

(4) The Agency hereby approves the execution and delivery of any and all amendments necessary to the documents executed by the Agency and/or the Company in conjunction with the Closing on the Project (the "*Lease Documents*") and/or any new documents necessary to incorporate the Additional Financial Assistance and to allow for the Re-Subdivision. The Chairman, Vice Chairman and/or 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 any and all amendments necessary to the Lease Documents 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 Chairman and/or Vice Chairman so 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; and

(5) 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.

(6) 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.

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

(8) 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:

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on September 18, 2018, 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 16th day of October, 2018.

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	\$32,435.41
2	\$33,084.12
3	\$33,745.80
4	\$34,420.72
5	\$35,109.14
6	\$38,579.55
7	\$42,174.75
8	\$45,898.32
9	\$49,753.96
10	\$53,745.47
11	\$57,876.73
12	\$62,151.75
13	\$66,574.62
14	\$71,149.54
15	\$75,880.83
Total	\$732,580.72