

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on October 15, 2019 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 the roll being duly called, the following members were:

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

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Judith DeLaney, Susan Katzoff, Esq., John Vavonese, Lori McRobbie; Others Present: Joseph M. Marusa, Stephanie Pasquale, Jacob Waldron, Eric Ennis, Aggie Lane, Merike Treier, Timothy Lynn, Esq., Jake Dishaw, Jeremy Cali, Tom Douglas; Media Present: Rick Moriarty

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

RESOLUTION AUTHORIZING THE AGENCY TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE COMPANY IN CONNECTION WITH A COMMERCIAL PROJECT PREVIOUSLY 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, by resolution adopted on May 16, 2017 (the "**Inducement Resolution**"), the Agency approved the undertaking of a project (the "**Project**") at the request of Steri-Pharma, LLC (the "**Company**") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "**Existing Building**") located at 429 South West Street, in the City of Syracuse, New York ("**Parcel 1**") and approximately 8,100 sq. ft. of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("**Parcel 2**" and together with Parcel 1, collectively the "**Land**"); (ii) the

construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "**New Building**"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "**Facility**"); and (iv) 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 (except as limited by 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, 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, by resolution adopted September 19, 2017, the Agency approved the dedication of all or a portion of its administrative fee (to the extent remitted by the Company) otherwise earned on the Project to pay for the costs of the infrastructure work associated with the foregoing in an amount equal to the lesser of: (i) the total cost of the infrastructure work as evidenced by invoices and receipts; or (ii) the Agency's administrative fee, actually paid to the Agency, associated with the Project in an amount not to exceed \$333,177.00 (this figure represents the Agency's total administrative fee); and

WHEREAS, on December 1, 2017, the Company and the Agency entered into an infrastructure agreement (The "**Infrastructure Agreement**"), pursuant to which the Company was permitted to undertake work necessary to repair the retaining wall and the related infrastructure on both Parcel 1 and Parcel 2, some or all of which was located in the public right of way along Onondaga Creek (the "**Infrastructure Work**"). The Company completed the Infrastructure Work totaling \$1,671,773. The Agency reimbursed the Company \$331,317; and

WHEREAS, on March 16, 2018, the Company and the Agency closed on the Project and executed the necessary lease transactional documents. The Company was granted \$712,971.52 in sales and use tax exemptions (the "**Sales Tax Award**"); \$378,000 in mortgage recording tax exemptions; and a 15 year payment in lieu of tax benefits ("**PILOT**") resulting in savings on the construction and renovation in the amount of \$694,633.12 over 15 years. The PILOT went into effect on July 1, 2019. Per the application, the total project costs were estimated at \$50,165,986; and

WHEREAS, the Company has advised the Agency's Finance Committee that the Project has been delayed due to delayed volume commitment and the tightening of Federal and global regulatory requirements. The Company met with its customer to review the sales growth and volume commitment and expect to receive the official go ahead to begin construction of the new product line and expansion by the first quarter of 2020; and

WHEREAS, the Company advised that since its April 2017 application to the Agency, it has invested over \$500,000 in the existing line and facility to ramp up for the installation of a new production line and has hired 21 new full time equivalent employees towards its hiring commitment; and

WHEREAS, the Company's sales and use tax benefit expired April 30, 2019. The Company has used \$0.00 of the Sales Tax Award to date. While the PILOT has commenced, because the Project has not commenced, the Company is paying the equivalent of real property tax on the existing facility; and

WHEREAS, the Agency is seeking approval to enter into a memorandum of understanding ("**MOU**") with the Company to address the delay in commencement of the Project. The terms of the MOU will include, but are not limited to: (i) the Company commencing the Project on or before March 30, 2020; (ii) if the Company fails to commence by March 30, 2020, the Agency will reconvene and consider terminating and/or recapturing any and all benefits conferred to the Project; and (iii) if the Project commences by March 30, 2020 then, the Agency will consider amending the PILOT to delay the start date of the benefit period, but the benefit period will not be extended. The Company shall agree to report to the Agency by December 31, 2019 and again by February 28, 2020 with an update on the status of the Project.

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

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

(a) The Agency's participation in the MOU will not result in a change to the Project as originally considered and therefore no further SEQRA review or action is required; and

(b) The Agency has the authority to, and hereby does, approve the execution, preparation and delivery of the MOU. The (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 prepare, negotiate, execute and deliver the MOU, or take any other action required to carry out the intent of, this Resolution upon the advice of counsel, and to execute and deliver 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 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 execution thereof by the (Vice) Chairman or Executive Director constitutes conclusive evidence of such approval.

(2) As a condition precedent to the Agency's participation in the MOU as set forth herein, the Company will submit to the Agency the appropriate administrative fee, including

the Agency's legal fees associated with the MOU and all proceedings to date; the Company shall execute and deliver the MOU and shall provide proof of insurance as required under the Agency Lease as well as any additional certificates or documents required by the Agency.

(3) Should the Agency's participation in the MOU or any related documents 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 MOU, 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.

(4) 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.

(5) The Secretary and/or the Executive Director of the Agency is 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.

(6) 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:

	<u>AYE</u>	<u>NAY</u>
Michael Frame	X	
Steven Thompson	X	
Kathleen Murphy	X	
Kenneth Kinsey	X	
Rickey T. Brown	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 October 15, 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 26 day of November, 2019.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Rickey T. Brown, Secretary

(SEAL)