

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on April 17, 2018, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

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

EXCUSED: Michael Frame

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Members: Honora Spillane, Judith DeLaney, John Vavonese, Matthew Kerwin, Esq.; Media Present: Charles McChesney (CNY Business Journal) Rick Moriarty (Syracuse Newspapers); Others Present: Wendy Loughnot Esq., James Trasher, Lauryn LaBorde, Mitch Latimer, Donna Harris, Rich Pulchalski, Stephanie Pasquale, Aggie Lane, Mel Menon. Gail Montplasilir, Joe Driscoll, Gary Thurston.

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

RESOLUTION APPROVING AN INCREASE IN THE AMOUNT OF FINANCIAL ASSISTANCE AWARDED TO THE PROJECT IN THE FORM OF AN EXEMPTION FROM STATE AND LOCAL SALES AND USE TAX; 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 (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, 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 grant financial assistance in connection with one or more “projects” (as defined in the Act); and

WHEREAS, by resolution adopted on March 9, 2016 (the “*Inducement Resolution*”), the Agency approved the undertaking of a project (the “*Project*”) at the request of State Tower Building, LLC (the “*Company*”) consisting of: (A)(i) the acquisition of an interest in approximately 1.2 acres of real property improved by an existing twenty-one (21) story, approximately 211,00 square foot building and garage (the “*Building*”) located at 201-19 East Genesee Street & Warren Streets, in the City of Syracuse, New York (the “*Land*”); the renovation of the Building for use as a mixed-use complex including Class A office space and retail on the first 8 floors; approximately 57 market-rate studio, one and two bedroom apartment units on the upper 13 floors; significant façade restoration; and a 100 car on-site parking garage, 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 State and local sales and use tax and mortgage recording tax (the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation and equipping 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 previously conducted an environmental review of the Project under 6 NYCRR Part 617 (“*SEQRA*”) and has determined that the Additional Financial Assistance (as defined herein) is in furtherance of the Financial Assistance previously approved for the Project, and does not require reconsideration or further review by the Agency under SEQRA; and

WHEREAS, among other things, pursuant to the Inducement Resolution, the Agency appointed the Company as an agent of the Agency for purposes of completing the Project and benefitting from the sales and use tax exemption (the “*Appointment*”) and authorized the Company to appoint Additional Agents (as defined in the Inducement Resolution); and

WHEREAS, the amount State and local sales and use tax exemptions originally approved by the Agency as part of the Financial Assistance was an amount not to exceed \$803,886.00 (the “*Original Sales Tax Exemption*”); and

WHEREAS, in March, 2016 the Agency and the Company closed on the lease transaction in connection with the Project (the “*Closing*”) and the Agency issued one or more Sales Tax Appointment Letter (“*Letters*”) to the Company and filed the necessary Forms ST-60 – IDA Appointment of Project Operator or Agency for Sales Tax Purposes with the New York

State Department of Taxation and Finance (the “*ST-60s*”). The Letters and the Company’s appointment originally were set to expire on May 1, 2017; and

WHEREAS, following the Closing, as the result of one or more requests, the Agency approved the extension of the Company’s appointment as the Agency’s agent for purposes of completing the Project through June 30, 2018; and

WHEREAS, by letter dated March 8, 2018, the Company requested a final extension of their appointment from June 30, 2018 through and including December 31, 2018 (the “*Extension*”) and further advised that the costs associated with the Project increased from \$27,300,000 to \$41,660,000 due to an increase in the remediation costs and various change orders associated with the Project. As a result of the increased Project costs, the Company also requested an increase of **\$596,114** to the Original Sales Tax Exemption (the “*Additional Financial Assistance*”) such that the total award of State and local sales and use tax exemptions would total \$1,400,000 for the Project; and

WHEREAS, the Agency conducted a public hearing with respect to the Company’s request for Additional Financial Assistance on April 17, 2018 pursuant to Section 859-a of the Act, notice of which was published on April 5, 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 letter dated April 4, 2018; and

WHEREAS, the Agency has given due consideration to the request for Additional Financial Assistance and the Extension and to representations by the Company that the proposed Additional Financial Assistance and Extension: (i) will facilitate the Company’s ability to complete the Project 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 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 located in the State, except as may be permitted by the Act; (iii) undertaking the Project has advanced, and will continue to 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 and the Extension, the Agency hereby approves the Additional Financial Assistance and the Extension and the (Vice) Chairman and Executive Director, acting individually, are each authorized 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 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.

(2) The granting of the Additional Financial Assistance does not amount to a significant change in the Project from what was originally approved by the Agency, and therefore no further review under SEQRA is required.

(3) 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 New York State sales and use exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefits comprising the *total aggregate* Original Financial Assistance and Additional Financial Assistance approved shall not exceed \$1,400,000.

(4) 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.

(5) 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.

(6) This Resolution shall take effect immediately, but is subject to the payment by the Company of the Agency's administrative and legal fees associated with this request.

(7) 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>
Steven Thompson	X	
Kathleen Murphy	X	
Rickey T. 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 April 17, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

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

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

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 5th day of May, 2018.

City of Syracuse Industrial Development Agency



Rickey T. Brown, Secretary

(S E A L)