

## AUTHORIZING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 16, 2016, at 8:30 o'clock a.m. at the Agency's offices 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:** William Ryan, M. Catherine Richardson, Esq., Donald Schoenwald, Esq., Steven Thompson, Kenneth Kinsey

The following persons were **ALSO PRESENT:** Staff Present: Honora Spillane, Sue Katzoff, Esq., Judith DeLaney, Meghan Ryan, Esq., John Vavonese, Debra Ramsey-Burns; Others: Ed Riley Gary Thurston, Rob Utter, Phil Korot, Aggie Lane, Chuck Sangster, Barry Lentz, Mike Stanczh, Petes King, Lionel Logan; Media: Rick Moriarty

The following Resolution was offered by Donald Schoenwald and seconded by Kenneth Kinsey:

**RESOLUTION APPROVING THE AGENCY'S PARTICIPATION IN MORTGAGE FINANCING BY THE COMPANY; THE GRANTING OF AN EXEMPTION FROM MORTGAGE RECORDING TAX IN ALL CONNECTION WITH A PROJECT 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 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**, on or about March 5, 2014, the Agency adopted a resolution (the “**Inducement Resolution**”) approving the undertaking of a project (the “**Project**”) at the request of Syracuse Community Hotel Restoration Company 1, LLC (the “**Company**”) consisting of: (A)(i) the acquisition of a leasehold or fee interest in an approximately 2.11 acre lot of improved real property located at 100-08 Onondaga St. E. and Warren Street in the City of Syracuse, New York (the “**Land**”) by negotiated purchase or by exercising its power of eminent domain consistent with the New York Eminent Domain Procedure Law, the General Municipal Law and all other applicable laws; (ii) the renovation and reconstruction of the existing approximate 413,000 square foot 11 story historic hotel (formerly known as the Hotel Syracuse) located on the Land for use as an approximate 261 room full service hotel with one or more restaurants, lobby, lounge and bar, with approximately 66,775 square feet of meeting space and approximately 35,000 square feet of retail/commercial space, together with landscaping and site improvements, all located on the Land and all to be designated as the “Convention Center Hotel” in connection with the Onondaga County OnCenter located near the Project (the “**Facility**”); (iii) the acquisition and installation thereon 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 taxation and mortgage recording tax (the “**Financial Assistance**”); (C) the appointment of the Company as an agent of the Agency in connection with the acquisition, renovation, reconstruction and equipping of the Project Facility; and (D) the lease or sale of the Land and Facility by the Agency pursuant to a lease or sale 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 or sale of the Project Facility back to the Company pursuant to a sublease or sale agreement; and

**WHEREAS**, in October 2015, the Agency and the Company closed on its lease transaction (the “**Closing**”) including the execution and delivery of an Agency Lease Agreement, dated as of October 1, 2015, by and between the Company and the Agency, as same may be amended or supplemented from time to time, (the “**Agency Lease**”) in order to confer some or all of the approved Financial Assistance with respect to the Project; and

**WHEREAS**, the Company has now requested that the Agency participate in certain additional financing on the Project Facility by joining in a mortgage and related documents in the approximate amount of \$6,000,000 (the “**Mortgage**”) and by providing an exemption from mortgage recording tax; and

**WHEREAS**, the amount of the mortgage recording tax exemption related to the Mortgage and any associated assignment of leases and rents will not exceed \$100,000 (the “**Additional Financial Assistance**”); and

**WHEREAS**, the Agency’s participation in the Mortgage was contemplated at the time of its Inducement Resolution and is permitted pursuant to Section 4.5 of the Agency Lease; and

**WHEREAS**, the Company has further requested the Agency consider an abatement, in whole or in part, of the Agency’s one (1%) percent fee with respect to the Additional Financial Assistance; and

**WHEREAS**, participation in the Financing Documents and the granting of the Additional Financial Assistance (both as defined herein) are in furtherance of the Financial Assistance that was previously approved for the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“**SEQRA**”), and the requested Financing Documents and Additional Financial Assistance are insubstantial and do not require reconsideration or further review by the Agency under SEQRA.

**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, the Agency hereby makes the following findings and determinations:

(a) Participation in the Financing Documents and the granting of Additional Financial Assistance do not amount to a significant change in the Project from what was originally approved by the Agency, and therefore neither further review under SEQRA nor an amendment of the Agency’s prior SEQRA negative declaration shall be required. The Agency’s prior resolutions adopted in regard to the Project Facility are all still in full force and effect.

(b) The Agency hereby authorizes its participation in the Mortgage and the grant of the Additional Financial Assistance.

(c) The Agency authorizes the execution and delivery all documents necessary to effectuate the Additional Financial Assistance and the Agency’s participation in the Mortgage, including but not limited to, the Mortgage, an assignment of leases and rents, a mortgage recording tax exemption affidavit and all other necessary documents (collectively the “**Financing Documents**”); and authorizes each the Chairman and Vice Chairman of the Agency, on behalf of the Agency, to execute and deliver the Financing Documents, upon the advice of counsel to the Agency. The execution thereof by the Chairman or Vice Chairman constitutes conclusive evidence of such approval.

(d) The Agency authorizes a 100% abatement of the Agency’s standard 1% fee with respect to the new financing.

**Section 2.** As a condition precedent to the Agency’s execution and delivery of the Financing Documents, the Company will: (i) submit to the Agency the appropriate [fee in exchange for the Agency’s participation in the Financing Documents in accordance with its request and published fee schedule]; (ii) remit directly to the Agency’s counsel all reasonable

attorneys' fees and costs associated with this transaction; (iii) remit to the Agency its annual administrative fee due, if any; and (iv) submit an updated contract status report or other reports required by the Agency in conjunction with the Project.

**Section 3.** Should the Agency's participation in the Financing 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 refinance, 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 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.

**Section 5.** The Secretary and/or the Executive Director of the Agency is hereby authorized to and may 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.

**Section 6.** This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, if any, 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:

	<b>AYE</b>	<b>NAY</b>
William Ryan	X	
M. Catherine Richardson, Esq.	X	
Donald Schoenwald, Esq.	X	
Steven Thompson	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 August 16, 2016, 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, 2016.

City of Syracuse Industrial Development Agency

  
\_\_\_\_\_  
Steven P. Thompson, Secretary

(S E A L)

