

PILOT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on January 21, 2010 at 2:00 p.m., at 44 West Bridge Street, Oswego, New York.

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

Present: Jonathan Daniels, Arthur W. Ospelt, Carolyn A. Rush, H. Leonard Schick, and Gary T. Toth

Absent: Donald H. Kunzwiler and Morris Sorbello

Also Present: L. Michael Treadwell, David S. Dano, Kevin C. Caraccioli and Ronald T. Kaplewicz

The following resolution was duly offered and seconded:

RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF RGC-SRE OSWEGO ACQUISITIONS, LLC

WHEREAS, the County of Oswego 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 234 of the Laws of 1973 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, RGC-SRE Oswego Acquisitions, LLC, a New York limited liability

company (the "**Company**"), submitted an application to the Agency on or about December 8, 2009 ("**Application**"), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "**Project**") consisting of: (A) (i) the acquisition of a leasehold interest in approximately .6749 acres of land located at 472 West First Street in the City of Oswego, New York, Oswego County (the "**Land**"); (ii) the demolition of the one story addition and three bay garage; the renovation and rehabilitation of an approximate 29,400 square foot building for use as an affordable housing project, including, but not limited to the remediation/abatement of asbestos and lead paint, the replacement/repair of windows, roof and driveway, the creation of (26) one and two bedroom apartments ranging from 600-950 square feet, the creation of an on-site community room, rental office, common laundry facility, tenant storage, computer lab room, and on site parking for approximately 33 cars (collectively the "**Facility**"), all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings, including an HVAC system, elevator, play structure and fencing around south, north and west perimeters (the "**Equipment**") (the Land, Facility and Equipment are hereinafter collectively referred to as the "**Project Facility**"); (B) the granting of certain financial assistance in the forms of exemption from real property tax, mortgage recording tax, sales and use taxation, as well as a loan from the Agency's Economic Development Fund in a principal amount not to exceed \$300,000 (collectively, the "**Financial Assistance**"); and (C) the lease of the Project Facility by the Agency pursuant to a lease agreement and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the City of Oswego acted as lead agency for the purpose of conducting a coordinated environmental review of the Project under SEQRA, 6 NYCRR Part 617, and determined that the Project constitutes a "Type 1 Action" under SEQRA, will not result in any significant adverse environmental impacts and issued a negative declaration for the Project dated January 12, 2010; and

WHEREAS, on even date herewith the Agency adopted a Resolution (the "**Inducement Resolution**") undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

WHEREAS, in the Application, the Company also requested that the Agency consider a payment in lieu of tax ("**PILOT**") schedule, more fully described on **Exhibit "A"** attached hereto, and such schedule constitutes a deviation from the Agency's Uniform Tax Exemption Policy ("**UTEP**") established pursuant to Section 874(4) of the Act; and

WHEREAS, by letters dated December 22, 2009, the Agency gave to the chief executive officers of the affected tax jurisdictions notice pursuant to Section 874 of the Act of this meeting (the "**Notice**"), at which the Agency would consider the Company's request for a PILOT schedule which deviates from the UTEP; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Oswego, (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; and (iii) undertaking the Project will create and/or preserve permanent private sector jobs in the State;

NOW, THEREFORE, be it resolved by the members of the County of Oswego 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. 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, including commercial 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 2. The Agency ratifies all prior Resolutions passed in connection with this proposed Project.

Section 3. 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 PILOT schedule and after consideration of correspondence and oral comments, if any, received, the PILOT schedule, attached hereto, is hereby approved.

Section 4. A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 5. The Chief Executive Officer of the Agency is hereby authorized and directed 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 as well as all previously approved Resolutions.

Section 6. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance.

Section 7. This Resolution shall take effect immediately.

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>	<u>Abstain</u>	<u>Absent</u>
Jonathan Daniels	X			
Donald H. Kunzwiler				X
Arthur W. Ospelt	X			
Carolyn A. Rush	X			
H. Leonard Schick	X			
Morris Sorbello				X
Gary T. Toth	X			

The resolution was thereupon declared duly adopted.

EXHIBIT "A"

PILOT SCHEDULE

Term: 30 Years

Initial Base: \$14,539

Annual Adjustment: 2% Per Year