

## AMENDED PILOT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on March 14, 2012 at 2:30 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: Arthur W. Ospelt, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

Absent: Jonathan Daniels and Donald H. Kunzwiler

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

The following resolution was duly offered and seconded:

### **RESOLUTION APPROVING AN AMENDED 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 THE COMPANY**

**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**, Seaway Lofts Associates 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**, 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 ("**Original PILOT Schedule**"), and such schedule constituted 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**, by resolution dated January 21, 2010, the Agency approved a thirty (30) year PILOT schedule described at **Exhibit "A"** hereto; and

**WHEREAS**, thereafter, the Company requested that the term of the PILOT schedule be reduced to twenty (20) years, as reflected on **Exhibit "B"** attached hereto, to accommodate the scope of the Project (the "**Amended PILOT Schedule**"); and

**WHEREAS**, by letters dated March 7, 2012, 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 an Amended PILOT schedule; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the reduced PILOT schedule is required in order for the Project to be eligible for historic tax credits. Without the benefit of such tax credits the Project would not be financially viable;

**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 Amended PILOT schedule and after consideration of correspondence and oral comments, if any, received, the Amended PILOT schedule, attached hereto, and the execution and delivery of a PILOT Agreement containing substantially similar terms and conditions as other agreements previously approved by the Agency with respect to similar projects, are hereby approved.

**Section 4.** The execution of the PILOT Agreement is conditioned upon, among other things: (i) the execution by the Company of the Agency Agreement, as same may be amended from time to time (as that term is defined in the Agency’s Inducement Resolution dated January 21, 2010 with respect to this Project); (ii) the passage by the Agency of an Amended Final Resolution relative to this Project; (iii) the Agency and the Company’s execution of the necessary lease documents providing the Agency with an interest in the Project Facility; and (iv) the payment by the Company of any and all administrative fees to the Agency as well as the Agency’s legal fees with respect to the Project.

**Section 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.

**Section 6.** 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 7.** 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 8.** 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 9.** The Chairperson or Chief Executive Officer are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments and documents, 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.

**Section 10.** 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.

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF OSWEGO )

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, **Do Hereby Certify** that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) held on March 14, 2012, with the original thereof on file in my office, and that the same 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.

**In Witness Whereof**, I have hereunto set my hand and affixed the seal of the Agency on March 14, 2012.

\_\_\_\_\_  
L. Michael Treadwell  
Chief Executive Officer

(SEAL)

**EXHIBIT "A"**

**ORIGINAL PILOT SCHEDULE**

**Term: 30 Years**

**Initial Base: \$14,539**

**Annual Adjustment: 2% Per Year**

**EXHIBIT "B"**

**AMENDED PILOT SCHEDULE**

**Term: 20 years**

**Initial Base: \$14,539**

**Annual Adjustment: 2% Per Year**