



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, February 15, 2017
Cayuga County Chamber of Commerce
2 State Street, Auburn, NY 13021

Board Present: William Andre (Vice-Chair & Member of Labor)
Roger Beer (Member at Large)
Terry Cuddy (Council Member)
Tricia Kerr (Member at Large)
Ronald LaVarnway (Member at Large)
Michael Quill (Council Member)

Board Excused: James Dacey (Chair & Member of Business)
Monika Salvage (Secretary & School Board Member)

Staff & Guests: Tracy Verrier, Executive Director
Bruce Sherman, CEDA
Robert Poyer, Hancock & Estabrook
Richard Cook, Hancock & Estabrook (by phone)
Greg Mason, The Citizen
David Plante, Bergmann Associates
Karen Walter, resident
Alyssa Lawton, resident
Minesh Patel, Auburn Hotel Ventures
Grant Kyle, Nolan Block LLC/KyleCroft
Thomas Minicucci, Central Building LLC
Dr. Phil Gioia, Central Building LLC

Mr. Andre, Vice-Chair, called the meeting to order at 5:01pm noting that a quorum was present.

Per the meeting agenda, Mr. Andre called for an Executive Session to discuss matters falling under attorney-client privilege and ongoing litigation. Ms. Walter asked if it was in relation to the Crown Castle matter, Mr. Poyer confirmed. Ms. Walter stated an objection on the grounds that a notice of entry had been filed with the County Clerk's office on January 12, 2017 that allowed for 30 days to appeal, which has passed. The objection was noted and Mr. Poyer confirmed that the matter being discussed still falls under attorney-client privilege.

Motion to enter executive session at 5:04pm by Mr. Quill, seconded by Mr. LaVarnway. All voted in favor.

Motion to exit executive session at 5:12pm by Mr. Beer, seconded by Mr. LaVarnway. All voted in favor.

MEETING MINUTES

Motion to approve the January 11 Public Hearing Minutes and January 24 Regular Meeting Minutes was made by Mr. LaVarnway; seconded by Mr. Cuddy. All members present voted in favor except Mr. Quill who abstained from January 24 minutes; motion passed.

James A. Dacey
Chairman

2 State Street
Auburn, NY 13021

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(315) 252-3500

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BILLS AND COMMUNICATION

Ms. Verrier reviewed the bills, noting that the Hancock Estabrook would be tabled. Other bills included invoices to be paid to Bergmann Associates for studies being conducted at the Technology Park, to CEDA for one seat at the Economic Forecast Luncheon, and to James Dacey to reimburse for travel expenses related to his attendance at the NYS EDC conference in January. Motion to pay all bills by Mr. Quill, seconded by Mr. Cuddy. All voted in favor.

REPORT OF THE TREASURER

In the absence of Mr. Joe Sheppard, Ms. Verrier presented the Profit and Loss statement and Balance sheet for January. She also reviewed the PILOT invoice and disbursement report, noting that all payments for 2016 PILOT bills had been received and disbursed. Mr. Beer inquired about the budget deficit forecasted in the annual budget. Ms. Verrier explained that there are some one-time costs included in the expenses, such as the Tech Park studies, budget. She also noted the board wanted to have a realistic budget rather than trying to make the income match those expenses and force a balanced budget.

NEW BUSINESS

Mr. Andre moved the meeting into the new business section of the meeting, noting the change in order compared to the agenda.

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF AUBURN HOTEL VENTURES LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

Auburn Hotel Ventures LLC- Ms. Verrier explained that the application is for a sales and use tax exemption and mortgage recording tax exemption only, there is no request for a PILOT. She further noted that the current resolution is an initial project resolution allowing for the scheduling of a Public Hearing, and that no benefits will be voted on tonight. Mr. Patel gave some history on the involvement of Auburn Hotel Ventures LLC at the Holiday Inn property on North Street. He noted that they had purchased the property in the summer and explored the what the best financial and brand fit would be for the property since the current Holiday Inn brand license is expiring soon. He stated that they had decided that the Holiday Inn is still the best fit, but that renovations are needed in order to maintain the brand license. He explained that the project would occur in two phases. Phase one would be renovating and refurnishing the guest rooms and related corridors, and that this would mostly be cosmetic work. This phase would occur in the coming spring month, starting as soon as possible. There would then be a break in work for the summer, and Phase two would start in the fall. This phase would include renovating and opening up the lobby and bar area, as well as upgrades to the meeting spaces. Mr. Patel went on to explain that modernizing the hotel is necessary to make sure that business doesn't decrease and that the business can continue to retain and create jobs. He stated that while some jobs will be created, this project is primarily a retention need. He went on to explain that the renovations are primarily new furniture and fixtures and updating the look to keep guests satisfied. If the renovations are not done, business will decrease in terms of revenues, guest stays, jobs, etc.

Mr. Beer asked if Auburn Hotel Ventures is a franchisee of Holiday Inn. Mr. Patel answered that yes, the company is a franchisee, explaining that there are only 9 months left on the current license and that they need to do the renovations in order to renew. Mr. Andre asked for confirmation that the renovations are needed to remain profitable. Mr. Patel confirmed that to be the case, noting that guests have been noting that the meeting spaces and rooms are dated. Mr. Andre asked if the building is structurally sound. Mr. Patel confirmed that it is with the exception of the roof needing

some work. He stated that the roof is being patched now and will be replaced in the spring, but the building is otherwise sounds. He also confirmed that work will stop in the summer because it is the busy season for the business. Mr. LaVarnway asked confirmation that no employees would be list if the renovations are completed. Mr. Patel stated no jobs would be lost, noting they are at 18 FTEs now and will likely increase to 25 FTEs conservatively. He clarified that there is some space leased to a salon, and none of those employees are included in this count.

Motion by Mr. LaVarnway to approve the initial project resolution regarding Auburn Hotel Ventures LLC, seconded by Mr. Beer. All voted in favor. Motion passed.

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF NOLAN BLOCK LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

.Nolan Block LLC- Ms. Verrier explained that the application is for a sales and use tax exemption and mortgage recording tax exemption only, there is no request for a PILOT. She further noted that the current resolution is an initial project resolution allowing for the scheduling of a Public Hearing, and that no benefits will be voted on tonight. Mr. Kyle explained that KyleCroft, a company owned by himself and his family members, bought the Nolan Block buildings and 63 Genesee St (the old Marine Midland bank building) this past summer. He noted that up to this point they have focused on renovating the 63 Genesee building, adding that the building is completely leased out. Once these spaces are finished, they will refocus on the three buildings that make up the Nolan Block. He explained that the buildings were condemned under previous ownership, and that the owner returned the buildings to the bank. KyleCroft has cleaned out much of the trash and debris, but there is a lot of work still needed including asbestos abatement. The building had also not previously been renovated to code, so they are starting fresh to make sure the structures meet code and are safe. He explained that they would create 14 apartments in the upper floors, and that they will be connecting/combining the three structures to improve egress and modernize the building. There will also be up to five storefronts for retail and commercial businesses. The new storefronts will bring employment from new businesses or expansions of existing businesses, but the holding company for the building will not be creating any jobs directly. They hope to go out to bid for the work by the end of the month and are looking to maintain some of the historic characteristics of the buildings.

Mr. Quill asked if this group of buildings includes the old sporting goods store where the pawn shop is currently located. Mr. Kyle stated that it is not included, but that six parking lots are deeded to the included buildings so there is some overlap. Mr. Beer inquired about the timeline for renovations at the Nolan Block. Mr. Kyle stated they were originally hoping to be complete by the end of 2017, but may be behind schedule due to not getting the NY Main Street grant in 2016 and due to the leases that have been signed at 63 Genesee. These have stressed the need to complete 63 Genesee. He explained that ABC Cayuga would be on the first floor, Aflac would be on the second floor, and a third tenant that is not public yet will be in the basement. He went on to explain that the storefronts at Nolan Block are not currently leased because he is not ready to commit to a business when the timeline is not certain, but noted that there has been a lot of interest in those spaces. He explained that his family has multiple businesses including NBF Plastics and North Brook Farms, and explained that they own and renovated the Brister Mills apartments and the spark plug factory on York Street that houses CSCAA. Mr. Quill asked if the interest in the storefronts is primarily coming from startup businesses. Mr. Kyle explained that it's been a mix, and that they want to put a good mix of businesses in the storefronts. Mr. Andre explained that he

has fond memories of the building and is excited to see it renovated. Mr. Beer asked if historic tax credits would be sought. Mr. Kyle explained that they looked into the tax credits, but they are very restrictive and didn't fit this project as well.

Motion by Mr. Quill to approve the initial project resolution regarding Nolan Block LLC, seconded by Mr. LaVarnway. All voted in favor. Motion passed.

UNFINISHED BUSINESS

The board then moved on to a presentation by David Plante of Bergmann Associates. Mr. Plante provided an overview of the work done so far, a summary of the findings thus far, and next steps. He spoke about the following studies/items:

- Archeological Study Phases 1A and 1B- They conducted 560 shovel test pits, and 8 had artifacts. None of the artifacts were considered to be of significance and Mr. Plante noted that no additional studies are needed. Bergmann will submit the studies to SHPO for clearance and an approval letter.
- Phase 1 ESA- A number of debris piles were found, including what was possibly a landfilling site for the DOT. There is also concern around the historical agricultural use. A Phase 2 ESA is recommended to ensure there is no serious contamination.
- Wetland delineation- old wetland mapping was available, but had expired after five years. Wetlands had changed since the last mapping. They delineated seven wetlands, and there is a stream that runs through the parcels across from the McQuay facility. Mr. Plante noted that they had designed the draft master plan around the wetlands, and noted that future tenants could use these studies to plan their facilities, and for permitting.
- Threatened and Endangered Species Assessment- Northern Long Eared Bat is present, so seasonal tree clearing will be necessary. Also need to keep an eye on the Rusty Patch Bumble Bee which may become listed soon. If that happens, additional screening may be needed.
- Traffic Study- Roads are over designed for the current buildout, and there are no anticipated issues for a full buildout scenario. No intersection mitigation or access changes appear to be necessary.
- Water and sewer report- Being completed now, this study looks at system capacity and what demand would be added in a full buildout scenario. So far they expect that the system is overbuilt and don't expect there to be any expansions needed.
- Stormwater management report- Some ideas to meet stormwater management needs are included in the draft master plan, but this is still in progress.
- SEQRA- A long form EAF will be completed based on all of the studies and master plan once everything else is completed.
- Master Plan- The master plan will include three scenarios: a zero buildout showing no additional tenants, a 50% buildout, and a 100% buildout. This will also include recommendations for infrastructure improvements based on the different buildout scenarios. Potential types of users will be considered as well. It is expected that the Master Plans will be completed in the spring.

Ms. Walter requested to ask a question of Mr. Plante. Motion to open the meeting for public comment by Mr. Cuddy, seconded by Mr. Quill. Ms. Walter asked Mr. Plante to review the wetland findings and area of DOT dumping. Mr. Plante clarified the location of the landfill site and stream. Ms. Walter asked what qualifies as a wetland and whether there are any state wetlands. Mr. Plante explained that there are no areas in excess of 12 acres to qualify as state wetlands, but there are federal wetlands. The Army Corps of Engineers can determine whether a wetland is isolated or jurisdictional, and thus whether it needs to be protected or can be disturbed.

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE

EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, AMENDED SALE/LEASEBACK AGREEMENT, AMENDED PILOT AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE CENTRAL BUILDING, LLC EXPANSION PROJECT

Central Building LLC- Mr. Cuddy provided a recap of the most recent meeting, noted that the project authorizing resolution had been tabled to allow time to get more information and negotiate terms of the PILOT schedule. He noted that he had visited the property and had wanted to see a schedule between the original proposal that ended at a \$70,000 payment and a schedule that escalates to the full tax liability. He expressed that he supports the most recent proposal that escalates to \$93,000 in the final year of the extension and appreciates the movement that has happened. Mr. LaVarnway agreed. Ms. Kerr explained that she had also visited the facility and supports the project. She noted that the company has accomplished a lot and the services provided are beneficial to the community. She supports a PILOT extension, but stated that she couldn't support an extension that does not escalate to something close to the full tax liability. Mr. Beer asked what is a normal level of benefits. Ms. Verrier stated that there isn't a set rule and a large range, but the benefit is generally a percentage less than 100% of the investment being made. Ms. Kerr noted that IDAs operate with a "but for" rule, meaning that they only look to incentivize projects that would not happen without the incentives. In this case, the project is mostly complete. However, she supports trying to create a PILOT extension that is a more normal schedule and does build up to the full liability since the existing PILOT ends so far away from the full tax liability.

Mr. Minicucci explained that rents in competing communities are 50% more. Traditionally residents in this community have had to travel to other cities for medical treatment, but this facility is attempting to bring those services into the community.

Mr. Cuddy asked when the 3rd floor will be complete and ready for tenants. Mr. Minicucci explained that it should be done by year end and that it should only take a few months to complete the buildout. He noted that the "grid", meaning chillers, sprinklers, mechanicals, etc., are all in place already. Financing has already been secured, but it is difficult to compete with existing rent levels. Mr. Cuddy asked how the company attracts tenants. Mr. Minicucci explained that referrals are the primary factor for attraction. Doctors look at a range of factors, such as the amount of foot traffic, whether the space is nice, whether patients are being served well, etc. Inter-referrals (to labs, xray, other services) are important. Mr. Cuddy explained that he understood the apprehension of other board members, but asked if Mr. Minicucci thinks the current proposal is a fair compromise. Mr. Minicucci said yes, noting that it presents higher payments than the extension proposed a number of years ago that was only partially granted. It's come a long way from the original proposal. He also stressed that vibrant healthcare is imperative for the community. Ms. Kerr if there is any point at which the company will be able to pay the full tax liability. Mr. Minicucci stated that he thinks they will be able to pay it at the end of the current proposed extension. Ms. Kerr noted that the current proposal still doesn't get the company close to that level. Mr. Cuddy asked what the company can do to get to that level. Mr. Minicucci explained they will look at the assessment, but that whatever obligations they have they will need to pay. However, at this time they need help. Mr. Andre noted that it's difficult, from the perspective of a community member, to support something like this when the school district is facing a budget deficit. Mr. Minicucci explained that the investing partners would not have been subsidizing the rents for ten years if they could raise rental rates and retain tenants. Mr. Andre noted that he understood, but just wanted to express that these deals are hard when they are taking money out of the pot. Mr. Minicucci stressed that healthcare helps and will help to attract and retain the industries and businesses that will help fill the gap. Ms. Kerr expressed that another issue is that there are other for-profit income properties that rent out medical space that are not getting extended benefits, so to continue extending

benefits to this facility seems unfair to other property owners. Mr. Minicucci expressed that they just need a bridge. Ms. Kerr stated she could support a bridge that increases to the full tax liability. Mr. Cuddy expressed that significant progress has been made since the last meeting. He noted that this is a unique asset and that he will continue to support it.

The current proposed schedule of PILOT payments was reviewed as follows:

2020	\$52,000
2021	\$54,000
2022	\$56,000
2023	\$58,000
2024	\$60,000
2025	\$65,000
2026	\$72,000
2027	\$79,000
2028	\$86,000
2029	\$93,000

Motion to approve the project authorizing resolution related to Central Building LLC by Mr. Cuddy, seconded by Mr. LaVarnway. The resolution was put to the following roll call vote:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			x	
William Andre, Member	x			
Monika Salvage, Member			x	
Roger Beer, Member	x			
Terry Cuddy, Member	x			
Michael Quill, Member	x			
Tricia Kerr, Member		x		
Ronald LaVarnway, Member	x			

Motion passed.

**RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
(THE "AUTHORITY") CLASSIFYING THE CENTRAL BUILDING, LLC
EXPANSION PROJECT (AS MORE FULLY DESCRIBED BELOW) AS A TYPE II
ACTION UNDER THE SEQR ACT**

Motion to accept the SEQR resolution for Central Building, LLC by Mr. Cuddy, second by Mayor Quill. All present voted in favor, motion passed.

Committees- Ms. Verrier noted that the Audit Committee needs to be repopulated as all of the previous members are no longer on the board and that there is one vacancy on the Finance Committee, explaining that the Audit Committee will need to meet with the auditor before the next meeting. She asked for volunteers for the Audit Committee. Mr. Beer, Mr. LaVarnway, and Mr. Cuddy volunteered.

Ms. Verrier asked when the board members would be available for Public Hearings on the projects initiated at the meeting on February 28 or March 1. Per a suggestion by Mr. Quill and members expressing availability for either date, Ms. Verrier will choose the date based on availability of City Council Chambers and will report back to the board.

Ms. Verrier noted that the NYS EDC is supporting legislation that would allow municipalities to include properties in PILOT agreements in their tax cap calculation. She explained that school districts are particularly concerned with this issue, and that other property tax abated properties, such as those with 485b agreements, are included in the calculation. Ms. Verrier stated that she had written a letter of support, the board agreed that they wanted to support and approved of

submitting the letter.

The board welcomed Mr. Beer to the board. He described his professional background in public accounting and service in the Coast Guard. He explained that he is committed to development in Auburn.

Ms. Verrier informed the board of an informational presentation about the State grant funding process occurring on February 28 at 8:30am.

Motion to adjourn by Mr. LaVarnway, seconded by Mr. Beer. All voted in favor.

Next regularly scheduled meeting: Wednesday, March 15th, 2017 @ 5:00pm in the First Floor Conference Room of the Chamber Offices, 2 State St.

INITIAL PROJECT RESOLUTION
(Auburn Hotel Ventures LLC)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street in the City of Auburn, on February 15, 2017 at 5:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2017/2-1

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF AUBURN HOTEL VENTURES LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, Auburn Hotel Ventures LLC (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 1 parcel of land located at 75 North Street (Tax Map No. 116.37-1-39.11) in the City of Auburn, New York totaling approximately 5.08 acres (the "**Land**") improved by 1 building totaling approximately 226,500 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as lodging and conference space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment, and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, pursuant to Section 2302 of the Act, the Authority desires to adopt a resolution describing the Project and the financial assistance that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will hold a public hearing and (i) negotiate and enter into a lease agreement (the "**Lease Agreement**"), leaseback agreement (the "**Leaseback Agreement**") and payment-in-lieu-of-tax agreement (the "**PILOT Agreement**") with the Company, (ii) take title to or retain a leasehold interest in the Land and personal property

constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance (the "**Financial Assistance**") to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project; (b) a partial abatement of mortgage recording tax; and (c) a partial abatement of real property taxes; and

WHEREAS, pursuant to Section 2307 of the Act, prior to the Authority providing any Financial Assistance to any project, the Authority, among other things, must hold a public hearing with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "**State**") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed financial assistance being contemplated by the Authority includes (i) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land, the Existing Improvements and the Improvements (or such interest therein as is conveyed to the Authority) to secure financings undertaken in furtherance of the Project; and (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction, renovation or equipping of the Project Facility.

Section 3. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to cause the issuance of a public hearing, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement whereby the Company leases the Project to the Authority, (B) a related Leaseback Agreement conveying the Project back to the Company, (C) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes and (D) related documents; provided (i) the rental payments under the Leaseback Agreement shall include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement shall provide for payments-in-lieu of taxes equal to the amount of real property taxes that would otherwise be levied on the Project in the absence of the Authority's interest therein.

Section 4. The Authority is hereby authorized to schedule, notice and conduct a public hearing with respect to the Project in compliance with the Act, and comply with the applicable provisions of the New York State Environmental Quality Review Act prior to the providing of financial assistance.

Section 5. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 6. This Resolution shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway	X			

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on February 15, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

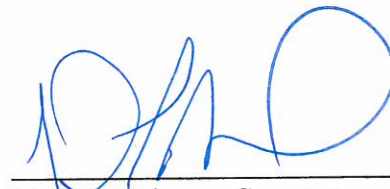
I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this ____ day of February, 2017.

[SEAL]



Monika Salvage, Secretary

JOSEPH T. SHEPPARD, ACTING SECRETARY

INITIAL PROJECT RESOLUTION
(Nolan Block LLC)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street in the City of Auburn, on February 15, 2017 at 5:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2017/2-2

**RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT
AUTHORITY (i) ACCEPTING THE APPLICATION OF NOLAN BLOCK
LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY
DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH
RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF
FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE
AUTHORITY.**

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, Nolan Block LLC (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 3 parcels of land located at 41-53 Genesee Street (Tax Map Nos. 115.45-2-51, 116.45-2-52, and 116.45-2-53) in the City of Auburn totaling approximately 0.21 acres (the "**Land**") improved by 1 building totaling approximately 20,000 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as residential apartments and commercial space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, pursuant to Section 2302 of the Act, the Authority desires to adopt a resolution describing the Project and the financial assistance that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will hold a public hearing and (i) negotiate and enter into a lease agreement (the "**Lease Agreement**"), leaseback agreement (the "**Leaseback Agreement**") and payment-in-lieu-of-tax agreement (the "**PILOT Agreement**") with the Company, (ii) take title to or retain a leasehold interest in the Land and personal property

constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance (the "**Financial Assistance**") to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project; (b) a partial abatement of mortgage recording tax; and (c) a partial abatement of real property taxes; and

WHEREAS, pursuant to Section 2307 of the Act, prior to the Authority providing any Financial Assistance to any project, the Authority, among other things, must hold a public hearing with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "**State**") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed financial assistance being contemplated by the Authority includes (i) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land, the Existing Improvements and the Improvements (or such interest therein as is conveyed to the Authority) to secure financings undertaken in furtherance of the Project; and (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction, renovation or equipping of the Project Facility.

Section 3. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to cause the issuance of a public hearing, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement whereby the Company leases the Project to the Authority, (B) a related Leaseback Agreement conveying the Project back to the Company, (C) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes and (D) related documents; provided (i) the rental payments under the Leaseback Agreement shall include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement shall provide for payments-in-lieu of taxes equal to the amount of real property taxes that would otherwise be levied on the Project in the absence of the Authority's interest therein.

Section 4. The Authority is hereby authorized to schedule, notice and conduct a public hearing with respect to the Project in compliance with the Act, and comply with the applicable provisions of the New York State Environmental Quality Review Act prior to the providing of financial assistance.

Section 5. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 6. This Resolution shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway	X			

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on February 15, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

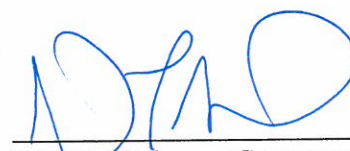
I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this ____ day of February, 2017.

[SEAL]



Monika Salvage, Secretary

JOSEPH T. SHEPPARD, ACTING SECRETARY

RESOLUTION
(Central Building, LLC Expansion Project)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street in the City of Auburn, on February 15, 2017 at 5:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION NO. 2017 | 2-3

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, AMENDED SALE/LEASEBACK AGREEMENT, AMENDED PILOT AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE CENTRAL BUILDING, LLC EXPANSION PROJECT

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, the Authority has undertaken a certain project for the benefit of the Company (the "**Project**") consisting of (A)(i) the acquisition of an existing three story, 70,000 square foot building (the "**Building**") located on approximately 2.36 acres of land on Garden Street in the City of Auburn, New York (the "**Land**"); (ii) renovation of the Building and construction of additional parking facilities and (iii) the installment therein of equipment for use as medical offices and related health care facilities (the "**Equipment**") (the Land, the Building and the Equipment shall be referred to herein as the "**Facility**") and (B) the financing of a portion of the costs of the foregoing; and

WHEREAS, in connection with the Project, the Company and the Authority have entered into a Sale/Leaseback Agreement dated as of January 1, 2000 (the "**Sale/Leaseback Agreement**") whereby the Company conveyed title to the Facility (as defined in the Sale/Leaseback Agreement) to the Authority and the Company agreed to purchase the Facility from the Authority on the terms and conditions set forth therein; and

WHEREAS, the Company and the Authority also entered into a certain payment-in-lieu of tax agreement dated as of January 1, 2000 with the Company, as amended by that certain

Amendment No. 1 to PILOT Agreement dated as of June 1, 2009 (collectively, the "**PILOT Agreement**"); and

WHEREAS, the Company and the Authority will enter into a certain Amendment No. 2 to the PILOT Agreement, which will provide for payments in lieu of taxes by the Company in the amounts set forth on Exhibit "A", attached hereto.

WHEREAS, the Company has requested the Authority's assistance with a certain modification to the Project (the "**Expansion Project**") consisting of: (i) the renovation and buildout of an additional 10,000 feet of leasable area at the Building (the "**Tenant Improvements**"); and (ii) the installment therein of equipment for use as medical offices and health care facilities (the "**Equipment**" and, together with the Tenant Improvements, the "**Expansion Facility**"); and

WHEREAS, the Authority desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn, New York by undertaking the Expansion Project in the City of Auburn, New York; and

WHEREAS, pursuant to Section 2307 of the Act, the Authority has held a public hearing with respect to the Expansion Project; and

WHEREAS, the Authority will appoint the Company as its true and lawful agent to undertake and complete the Expansion Project pursuant to the terms of an Agent and Financial Assistance and Project Agreement to be dated as of February 1, 2017 (the "**Agent Agreement**") by and between the Authority and the Company; and

WHEREAS, the Company has requested the Authority to enter into an Amendment No. 2 to PILOT Agreement to be dated as of February 1, 2017 (the "**Amendment No. 1 to PILOT Agreement**") requiring the Company to make payments in lieu of taxes with respect to the Facility and the Expansion Facility; and

WHEREAS, the Company has requested the Authority to enter into an Amendment No. 1 to Sale/Leaseback Agreement to be dated as of February 1, 2017 (the "**Amendment No. 1 to Sale/Leaseback Agreement**"); and

WHEREAS, the Agent Agreement, the Amendment No. 2 to PILOT Agreement, the Amendment No. 1 to Sale/Leaseback Agreement, and related documents are presented to this meeting for approval and the execution thereof will help to improve the Expansion Project and enhance opportunities for the citizens of the City of Auburn.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Authority has the authority to take the actions contemplated herein under the Act;

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Expansion Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Expansion Facility from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Expansion Facility located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Expansion Project is reasonably necessary to discourage the Expansion Facility occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Expansion Facility occupants in their respective industries.

Section 2. The Authority hereby approves financial assistance for the Expansion Project including (A) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, renovation and equipping of the Expansion Facility; and (B) an abatement or exemption from real property taxes levied against the Facility and Expansion pursuant to the PILOT Agreement, as amended, which shall deviate from the Authority's Uniform Tax Exemption Policy for the reason set forth on Exhibit "B" attached to this Resolution.

Section 3. The Authority hereby appoints the Company as its true and lawful agent to (A) acquire, construct and equip the Expansion Project; (B) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings, instructions, as the agent for the Authority, with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors, and to such other parties as the Company reasonable designates; and (C) to do all other things that may be requisite and proper for completing the Expansion Project, with the same powers and validity vested in the Authority; provided, however, that the agency shall expire on January 23, 2019, unless extended by the Authority.

Section 4. The Authority may, pursuant to Section 2326-a of the Act, recover or recapture from the Company, its agents, subagents, contractors, subcontractors, or any other party authorized to make purchases for the benefit of the Expansion Project (each a "Company Party" and, collectively, the "Company Parties"), any sales and use tax exemption benefits obtained or purported to be obtained by the Company Parties if it is determined that: (A) any Company Party is not entitled to sales and use tax exemption benefits; (B) the sales and use tax exemption benefits

are in excess of the amounts authorized to be taken by any Company Party; (C) the sales and use tax exemption benefits are for property or services not authorized by the Authority as part of the Expansion Project; (D) the Company has made a material false statement in its application for financial assistance; (E) the sales and use tax exemption benefits are taken in cases where a Company Party fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Expansion Project; and/or (F) if the Company obtains mortgage recording tax abatement benefits or real property tax abatements and fails to comply with a material term or condition to use property or services in a manner approved by the Authority in connection with the Expansion Project (each a "**Recapture Event**").

As a condition precedent to receiving the financial assistance set forth in Section 2, above, the Company must, upon the Authority's determination that a Recapture Event has occurred, (A) cooperate with the Authority in its efforts to recapture any sales and use tax benefits; and (B) pay over to the Authority, on demand, any amounts required to be recaptured.

Section 5. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Agent Agreement, Amendment No. 1 to Sale/Leaseback, Amendment No. 2 to PILOT Agreement, and related assignments, documents and instruments (collectively, the "**Authority Documents**") in the form presented at this meeting with such changes as shall be approved by the Chairman and/or Vice Chairman upon execution.

Section 6. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Authority Documents and any such other documents and agreements as may be necessary to carry out the intent of these resolutions; and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman and/or Vice Chairman of the Authority shall approve, the execution thereof by the Chairman and/or Vice Chairman of the Authority to constitute conclusive evidence of such approval; provided in all events recourse against the Authority is limited to the Authority's interest in the Expansion Project.

Section 7. The execution and delivery of the Authority Documents by the Authority as contemplated herein shall be subject to: (A) agreement by the Company and the Authority to the final form of the Authority Documents; (B) agreement between the Company and the Authority as to payment by the Company of the administrative fee of the Authority, if any; and (C) the Authority's adherence to the procedures for deviation from the Authority's uniform tax exemption policy set forth in Section 2315 of the Act prior to execution and delivery of the Amendment No. 2 to PILOT Agreement.

Section 8. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 9. These Resolutions shall take effect immediately.

Upon motion duly made and seconded, the question of the adoption of the foregoing Resolution was duly put to a vote, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member		X		
Ronald LaVarnway, Member	X			

This Resolution was thereupon duly adopted.

EXHIBIT "A"

PILOT PAYMENTS

2020	\$52,000
2021	\$54,000
2022	\$56,000
2023	\$58,000
2024	\$60,000
2025	\$65,000
2026	\$72,000
2027	\$79,000
2028	\$86,000
2029	\$93,000

EXHIBIT "B"

REASONS FOR DEVIATION FROM UNIFORM TAX EXEMPTION POLICY

The Authority proposes to deviate from its Uniform Tax Exemption Policy by granting the Company an abatement from real property taxes based upon a fixed assessment.

The reasons for deviation are as follows:

- The Authority believes that the services offered by the Company are unique
- The Authority believes it is in the best interests of the residents of the City of Auburn to have access to a diverse selection of local medical providers
- The Authority believes that deviation from its Uniform Tax Exemption Policy is necessary to expand access to local medical providers

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on February 15, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 28th day of February, 2017.

[SEAL]



Monika Salvage, Secretary
JOSEPH T. SHEPPARD, ACTING SECRETARY