

**RESOLUTION**  
*(WST 33, LLC Project)*

A special session of the Auburn Industrial Development Authority was convened on Wednesday, November 5, 2012 at 5:00 p.m.

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

Resolution No. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE AUBURN  
INDUSTRIAL DEVELOPMENT AUTHORITY TO  
NEGOTIATE, EXECUTE AND DELIVER A PAYMENT IN  
LIEU OF TAX AGREEMENT FOR THE BENEFIT OF  
WST33, LLC**

**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**, WST33, LLC for itself or on behalf of an entity to be formed (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of (i) the acquisition of approximately 0.769 acres of land located at 161 Genesee Street (the "**Land**") improved by 1 building totaling approximately 8,000 square feet (the "**Existing Improvements**"); (ii) demolition of the Existing Improvements; (iii) construction on the Land of a new 20,000 square foot building (the "**Building**") and parking improvements (the "**Parking Improvements**" and, together with the Building, the "**Improvements**"); and (iv) 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 and the Improvements, the "**Facility**"); and

**WHEREAS**, in connection with the Project the Authority will enter into a payment lieu of taxes agreement (the "**PILOT Agreement**") with the Company on substantially the terms and conditions set forth on Exhibit "A" attached hereto; and

**WHEREAS**, the Authority has considered reasons why it should deviate from its Uniform Tax Exemption Policy and enter into a PILOT Agreement providing for payments and related provisions as set forth in the draft thereof presented to this meeting; 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 by retaining and expanding the Facility in the City of Auburn; and

**WHEREAS**, the execution of the PILOT Agreement will enhance opportunities of the citizens of the City of Auburn.

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

1. The Authority hereby finds that the nature of the Facility justifies the PILOT Agreement and deviation from its Uniform Tax Exemption Policy for the reasons presented on Exhibit "B" hereto.

2. The Authority hereby finds that the nature of the Project justifies the PILOT Agreement and, subject to the conditions set forth in paragraph 3 of this Resolution and delivery of the PILOT Agreement by the Authority in accordance with Exhibit "A" presented to this meeting with such changes, hereby authorizes execution and delivery of the PILOT Agreement by the Authority with such changes, variations, omissions and insertions as shall be approved by the Chairman and/or Vice Chairman upon execution.

3. The execution and delivery of the PILOT Agreement by the Authority as contemplated herein shall be subject to: (A) agreement by the Company and the Authority to the final form of the PILOT Agreement; (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 PILOT Agreement.

4. That the Chairman, Vice Chairman, Chief Executive Officer, Secretary or any other officer of this Authority be, and the same hereby is, authorized to negotiate, execute and deliver the PILOT Agreement and such other documents and agreements as may be necessary to carry out the intent of these Resolutions.

5. The Chairman, Vice Chairman, Chief Executive Officer and Secretary of the Authority are hereby authorized and directed to do such further things and perform such further acts as may be necessary or convenient to implement the provisions of this Resolution.

6. That this Resolution shall take effect immediately.

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

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James Dacey, Chairman	X			

Michael Kane, Vice Chairman	X	
Laurie Ann Piccolo, Treasurer		X
Sue Chandler, Secretary	X	
Matthew Smith, Member		X
William Graney, Member	X	
Frank DeRosa	X	
Sue Chandler	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 November 5, 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 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 23rd day of January, 2013.

  
Sue Chandler, Secretary

[SEAL]

**EXHIBIT "A"**  
**Terms of PILOT Agreement**

**WST33 LLC - Plaza of the Arts (\$1.5 M PILOT Value)**  
**Approved AIDA PILOT - 15 years**

Year	PILOT Value	Tax Rate	Exemption Percentage	PILOT Payment
1	472,900	39.1399	0%	18,509
2	472,900	39.1399	0%	18,509
3	472,900	39.1399	0%	18,509
4	472,900	39.1399	0%	18,509
5	472,900	39.1399	0%	18,509
6	1,500,000	TBD	100%	18,509
7	1,500,000	TBD	90%	TBD
8	1,500,000	TBD	80%	TBD
9	1,500,000	TBD	70%	TBD
10	1,500,000	TBD	60%	TBD
11	1,500,000	TBD	50%	TBD
12	1,500,000	TBD	40%	TBD
13	1,500,000	TBD	30%	TBD
14	1,500,000	TBD	20%	TBD
15	1,500,000	TBD	10%	TBD
TOTAL PILOT PAYMENTS				TBD

Notes: Tax Rate frozen at 2012 level for Years 1-5, then floating to rates as determined in Year 6.  
PILOT Value is frozen at 2012 assessment for Years 1-5, then fixed at \$1.5 million for Year 6.  
Year 1 assumes that the AIDA PILOT begins in July 2013.

PILOT includes a 10-year recapture provision, per AIDA's standard policy.

Minimum jobs - 70% of total in application after 5 years.

Minimum occupancy - 90% of total in application after 5 years.

Required documentation:

Actual Project Cost when completed

Actual Mortgage Rate and Terms when financed

Complete copies of leases when executed

Annual Income and Expense Statement

**2012 Tax Rates:**

City of Auburn	12.77022	per thousand
Cayuga County	8.27688	per thousand
Auburn Enlarged City School District	18.09282	per thousand

**Total Combined Tax Rate** **39.13992 per thousand**

**Exhibit "B"**  
**Reasons for Deviation for Uniform Tax Exemption Policy**

**(See Attached)**

# Positive Impacts

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- ▣ Improved Neighborhood
- ▣ New Construction
- ▣ Leading the way for Future Growth of Downtown
- ▣ Exterior Security System & Camera's Installed
- ▣ **Building Re-positioning/Parking Behind Bldg**
- ▣ Tying Historical Brick in with Transitional Design
- ▣ Mixed Use (Office, Retail, Service, Restaurant)
- ▣ Improvement to St. Peter & John's Neighboring Property (Handicap Parking, Sidewalk, Landscaping)



# Positive Impacts Continued....

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- ▣ Partnering with Lynch's to Improve Downtown Business Opportunities
- ▣ Located in the Heart of the Theatre District
- ▣ Services for Cayuga County Office Bldg, Court House, etc.
- ▣ Destination Point – Will Stretch City Truly 1 Full Block
- ▣ Creation of 125 to 150 New Jobs
  - 75+ High Paying Jobs starting at \$40,000 Plus (Average \$50K)
  - 50 to 70 Low to Moderate Income Starting Service Jobs (Avg \$15K)
- ▣ Meet Baby Boomer Needs for Dining, Shopping etc.

# Positive Impacts Continued....

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## ■ Exterior Pedestrian Mall Area

(For Dining, Relaxing etc.)

■ *Restaurant Sales of \$3M Results in \$240,000 in Sales Tax*

■ *Retail Sales of \$1M Results in*

■ *\$80,000 in Sales Tax*

■ **TOTAL Sales Tax = \$320,000**

■ 180 Employee's Spending an average of \$1 250/yr in Downtown = **\$225,500**

(on Coffee, Lunch, Dinner, Shopping, Wegmans etc.)

## Positive Impacts Continued....

- ▣ Downtown Market can handle \$1.3M in Coffee Related Sales
  - Presently doing less than \$800K leave \$500K in Untapped Sales
- ▣ Construction Jobs for \$3M Building + \$1M Build out = \$4M
  - 50% of Project Cost would be Construction Jobs (roughly \$2M)
- ▣ New Bookend to West Side of City
- ▣ Additional Funding to Bid Re-investment in Downtown
- ▣ Lease Discussions or LOI for over 34,000 sq ft on a 20,000 sq ft Building
  - Possibility of Adding a 3<sup>rd</sup> floor for another ~~\$~~10,000 sq ft