
City of Syracuse Industrial Development Agency
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UNIFORM TAX EXEMPTION POLICY

I. PURPOSE

The New York Industrial Development Agency Reform Act of 1993 (Chapters 356 and 357 of the Laws of 1993) created a new General Municipal Law Section 874 (4) that requires an Agency establish a uniform tax exemption policy. This written policy shall constitute the City of Syracuse Industrial Development Agency's ("*SIDA*" or "*Agency*") uniform tax exemption policy ("*UTEP*") and shall provide guidelines for the granting of real property, mortgage recording, and State and local sales and use tax exemptions for qualified projects undertaken in accordance with the Agency's Project Approval Policy, this UTEP policy and the General Municipal Law (a "*Qualified Project*"). The Agency may deviate from the schedules and/or terms set forth herein on a case by case basis for a Qualified Project expected to have significant economic impact on the City of Syracuse (the "*City*") as determined by the Agency members in accordance with this UTEP. Applicants must file an application ("*Application*") with the Agency to request applicable tax abatements and comply with the Agency's Project Approval Policy.

II. REAL PROPERTY TAX ABATEMENTS

(A) Qualified Projects shall meet the criteria outlined in the Agency's Project Approval Policy, *including but not limited to the Agency's City Hiring and MWBE Requirements* (as set forth therein). If the project qualifies, and the Agency approves exemptions from certain real property taxes, the Agency and the Qualified Project owner shall enter into a payment in lieu of taxes ("*PILOT*") agreement, which provides for payments in lieu of taxes to the taxing jurisdictions generally in an amount less than what the real property taxes would be if Agency involvement did not cause the project to be tax exempt. **The Agency will not consider projects located on sites or facilities located on tax delinquent properties unless a tax payment plan is in effect between the property owner and the relative taxing jurisdiction.**

(B) The base assessment for valuation purposes of all property for which a PILOT agreement is sought, shall be the greater of: (i) the assessed value at time of application; or (ii) the purchase price of the site or facility ("*Base Assessment*"). If for any reason, the Company believes the Base Assessment is not an accurate value of the property, the Company may, at its sole cost and expense, commission an independent appraisal of the subject property, by an appraisal company satisfactory to the Agency, to demonstrate an alternate value. Provided the appraisal is certified to the Agency as well as the Company, the parties agree that the appraised value shall constitute the Base Assessment. Alternatively, if the Company presents information or circumstances, satisfactory to the Agency, that supports an alternate Base Assessment, the Agency may, in its sole and absolute discretion, agree to an alternate Base Assessment.

(C) Payments in lieu of taxes shall be described in detail in a written PILOT agreement between the Agency and the Qualified Project owner. Qualified Project owners shall pay to the Agency, or its designee, the amount calculated pursuant to the applicable PILOT agreement according to a schedule

approved by the Agency. Payments received under all PILOT agreements shall be proportionally allocated among the affected taxing jurisdictions according to the amount of real property taxes the taxing jurisdiction would otherwise have received but for the Agency's involvement. Variations in the proportions shall only be done with the consent of the affected taxing jurisdictions. The approved schedule under the PILOT agreement shall take effect during the tax year immediately following the taxable status date (January 1 of each year). The abatement period shall commence no later than the closest taxable status year to the substantial completion date (as set forth in the lease documents executed by the Qualified Project owner in connection with the PILOT agreement (collectively, the "**Lease Documents**")). In no event shall the commencement date of the abatement period provided for under the PILOT agreement occur more than twenty-four (24) months following the date of the Lease Documents, unless otherwise consented to by the Agency in writing.

(D) The Qualified Project shall make periodic payments in lieu of property taxes, in the amounts authorized under the approved PILOT agreement to the City of Syracuse (the "**City**"), or any other designee, for each year of the PILOT agreement.

Such payment shall be made within the period the City allows payment of taxes levied without penalty. The Qualified Project shall be entitled to receive receipts from the City for such payments. Unless otherwise agreed upon and authorized, the Agency or its designee shall submit to the Qualified Project owner semiannual statements specifying the amount and due date or dates of any payments due under the approved PILOT agreement. Statement shall be submitted to the Qualified Project owner (or to an agent designated in writing to the Agency by the Qualified Project owner) at the same time that tax bills are mailed by the City of Syracuse to the owners of privately owned property. If the Qualified Project owner shall fail to make any payment required under the PILOT agreement, its obligation to make the payment so in default shall continue as an obligation of the Qualified Project owner until such payment in default shall have been made in full, and the Qualified Project shall pay the same, together with interest thereon, to the extent permitted by law, the greater of: (i) eighteen percent (18%) annually; or (ii) the annual rate which would be payable if such amounts were delinquent taxes, until so paid in full.

(E) Notwithstanding the execution of any PILOT agreement, no Qualified Project shall be exempt from special assessments and special ad valorem levies lawfully levied and/or assessed against the facility premises.

(F) Notwithstanding any other terms of any PILOT agreement, the annual payments shall increase by 2% annually to account for the NYS tax cap.

III. **DEFINED TERMS:**

For purposes of this UTEP and the Agency's PILOT agreements, the following definitions shall apply:

"Bus Rapid Transit Route" means the route outlined on the [map] attached hereto at Schedule "I" and is designed to encourage transit oriented development.

"Commercial Project" means a Small Scale Project and any other project that does not fall within any other category.

"Distressed Census Tract" shall have the meaning ascribed thereto by the US Census Bureau and as set forth in the application.

"Employment Project" means a project that retains 20 FTEs or creates 20 or more new permanent

FTE jobs over 3 years.

"FTE" means one employee working no less than 35-40 hours per week or two or more employees together working a total of 35-40 hours per week.

"Historic Project" means a project where at least 50% of the total sq. ft. of the project involves the restoration and renovation of a building designated as a Local Protected Site by the Syracuse Landmark Preservation Board, or properties eligible to be listed, or listed individually, or as part of a district on the National Register of Historic Places. Properties designated as a Local Protected Site must meet the requirements of New York State Real Property Tax Law, Section 444-a, and City of Syracuse Local Law No. 10-2010.

"Infill Project" means: (i) the development of vacant, underused, or obsolete parcels of land within an already built-up and/or historic area (which is defined as a location which is part of a district, or eligible to be listed as a district, on the National Register of Historic Places (**"Historic Infill"**)); or (ii) the redevelopment of a structure, consistent with the City's Land Use and Zoning Ordinance, that has been vacant or underutilized for a minimum of 5 years or results in the redevelopment of blighted property.

"Brownfield Site" means a site so designated by the New York State Department of Environmental Conservation or United States Environmental Protection Agency.

"NAICS Project" means a project, the tenants of which are engaged in a North American Industry Classification System (**"NAICS"**) as set forth in the Project Approval Policy **and** has less than 30% of its total square footage of the project dedicated to residential units.

"Priority Employment Project" means a project that retains at least 50 FTEs or creates 50 or more new permanent FTE jobs over 3 years.

"Priority Neighborhood" means those neighborhoods designated as part of the City's housing strategy plan, as same may be amended from time to time, and which currently consist of those neighborhoods identified on the Agency's website.

"Priority Project" means an Employment Project or a NAICS Project.

"Residential Project" means a project that has 70% or more of the total square footage of the project and at least 20 units dedicated to residential apartments and complies with the City's zoning ordinance for housing unit set asides to rent to tenants at area median income limits set forth by the City's Neighborhood and Business Development on an annual basis, inclusive of utilities.

"Small Scale Project" means a project that satisfies the requirements of the Small Scale Project under the Agency's Project Approval Policy.

IV. APPLICABLE ABATEMENT SCHEDULES:

- (1) Commercial Projects shall be eligible for the following abatement schedule:

COMMERCIAL PROJECT PILOT ABATEMENT SCHEDULE

YEARS	10 YEAR
1	100%
2	100%
3	100%
4	100%
5	100%
6	80%
7	60%
8	40%
9	20%
10	10%

- (2) Priority Projects shall be eligible for the following abatement schedules:

PRIORITY PROJECT ABATEMENT SCHEDULE

YEARS	15 YEAR
1	100%
2	100%
3	100%
4	100%
5	100%
6	90%
7	80%
8	70%
9	60%
10	50%
11	40%
12	30%
13	20%
14	10%
15	10%

(3) A *Residential Project* and/or a *Priority Employment Project* shall be eligible for the following Abatement schedule:

**RESIDENTIAL/PRIORITY EMPLOYMENT
PROJECT ABATEMENT SCHEDULE**

YEARS	15 YEAR
1	100%
2	100%
3	100%
4	100%
5	100%
6	90%
7	90%
8	80%
9	80%
10	70%
11	60%
12	50%
13	40%
14	30%
15	20%

Additional Abatement: If any project within any of the foregoing categories also qualifies as a Historic Project¹, an Infill Project, locates on a Bus Rapid Transit Route, on a Brownfield Site or within a Priority Neighborhood, such project will receive one additional five (5) year abatement period of real property taxes as reflected on **Exhibit "A"** attached hereto.

(4) PILOT Deviations.

- (A) The Agency may deviate, on a case by case basis, from this UTEP policy; and
- (B) Any deviations from this UTEP Policy shall require a written notification by the Agency to the chief executive officer of each taxing jurisdiction in advance of the meeting at which the proposed deviation will be considered in accordance with the NYS General Municipal Law.

V. SALES TAX EXEMPTIONS

(A) The Agency's policy is to grant exemption of State and local sales and use taxes for all Qualified Projects. Such exemption would cover purchases of construction materials & equipment and of project related furniture, fixtures and equipment. The exemption period shall be determined by the Agency

¹ Notwithstanding the foregoing schedules, if an applicant can demonstrate an abatement structure that results in annual payments based on the Base Assessment, plus total payments over the fixed abatement period equivalent to those evidenced in the cost benefit analysis, taking into consideration net present value, the board can authorize such alternate abatement schedule and same shall not be considered a deviation. For the avoidance of doubt, such alternate abatement schedule shall provide for annual payments based on Base Assessment and the same number of abatement years.

based upon the Qualified Project's construction period as set forth in its application. In no event shall the exemption period be greater than 24 months without the Agency's consent.

(B) Operating and maintenance expenses incurred by an Agent of the Agency for a Qualified Project of the Agency are not exempt from local and New York state sales and use tax.

(C) The Agency will file an "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60), which shall be valid for the specified period of time as determined by the Agency based upon the Qualified Project's construction schedule. Such appointment may be extended or renewed subject to a showing by the applicant of good cause and any restrictions and/or requirements imposed by the Agency or the State of New York upon such extension or renewal.

VI. MORTGAGE RECORDING TAX EXEMPTIONS

The Agency's policy is to grant exemption from the mortgage recording tax to all qualified and approved Commercial Projects and/or Priority Projects to the full extent of the law.

VII. RECAPTURE OF AGENCY BENEFITS

It is the policy of the Agency to recapture the value of PILOT payments, State and local sales and use tax and mortgage recording tax exemptions in accordance with the provisions contained in the Agency's Recapture Policy.

VIII. AMENDMENT OR MODIFICATION

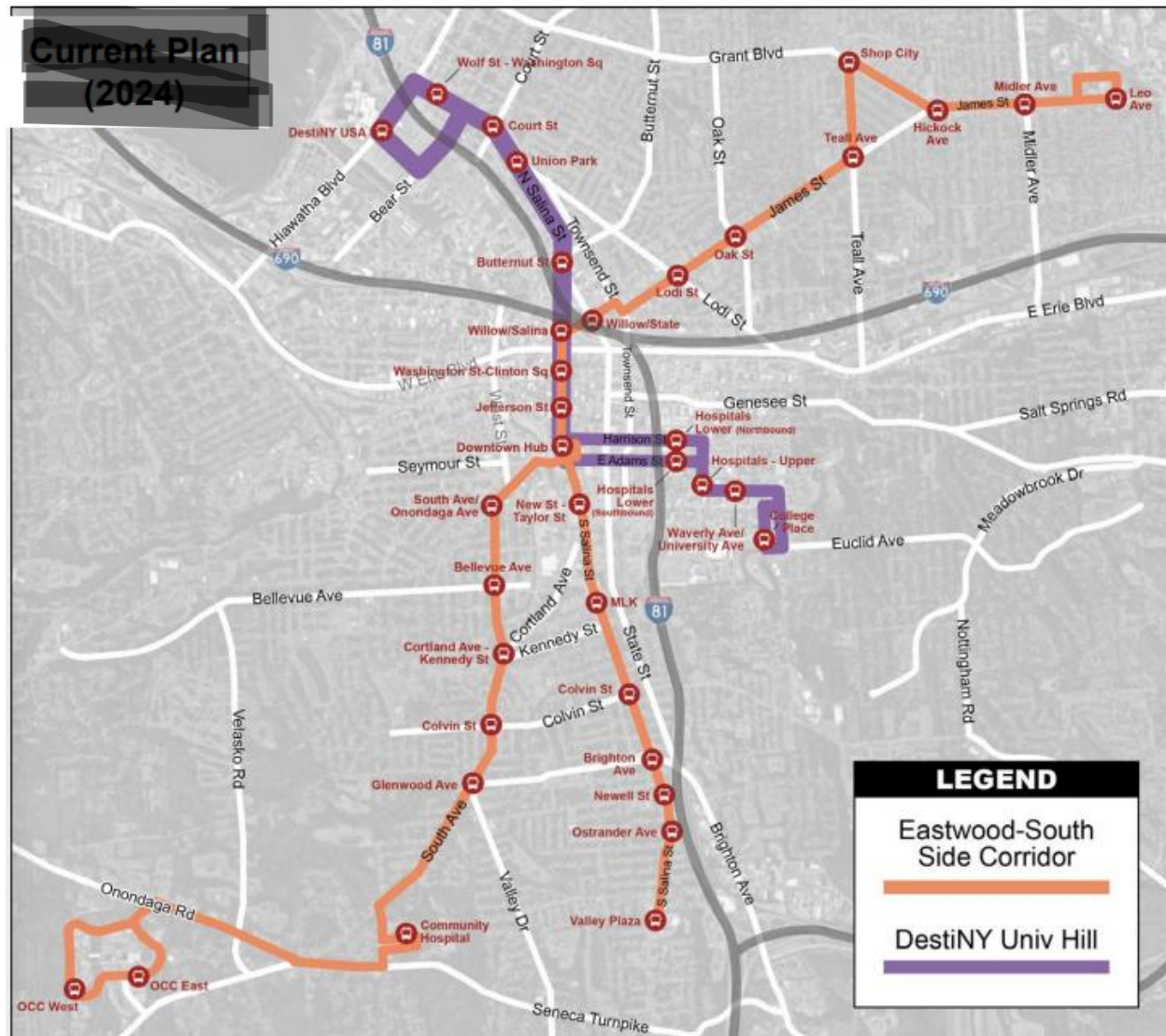
The Agency, by resolution and upon notice to the taxing jurisdictions, may amend or modify the foregoing policy, as it may, from time to time determine, and in accordance with the Laws of the State of New York.

Adopted: _____, 2025
Effective _____

EXHIBIT "A"
ADDITIONAL ABATEMENT SCHEDULES

ABATEMENT YEAR	Commercial Project PILOT Abatement Schedule w/ add'l 5 yr Boost	Priority Project Abatement Schedule with 5-Year Boost	Residential or Priority Employment Abatement Schedule with 5- Year Boost
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	100%	100%	100%
6	80%	100%	100%
7	80%	100%	100%
8	60%	90%	100%
9	60%	80%	100%
10	40%	70%	90%
11	40%	60%	80%
12	20%	50%	70%
13	20%	40%	60%
14	10%	30%	50%
15	10%	20%	40%
16		20%	30%
17		20%	20%
18		10%	10%
19		10%	10%
20		10%	10%

SCHEDULE 1 BRT ROUTES



*BRT routes are shown in orange and purple