

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 to establish a uniform tax exemption policy (UTEP). This written policy shall provide guidelines for the granting of real property, mortgage recording, and sales and use tax exemptions. The Agency may grant enhanced benefits on a case by case basis for a project expected to have significant economic impact on the City of Syracuse as determined by the Agency members. Applicants must file an application with the City of Syracuse Industrial Development Agency (“SIDA” or “Agency”) and request applicable tax abatements.

II. Real Property Tax Abatements

- A. The Agency maintains a policy for the provision of real property tax abatements for qualified projects. Qualified projects shall meet the criteria outlined in Appendix A: Project Evaluation Criteria. If the project qualifies, and the Agency approves, the the Agency and the project owner or occupant 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 tax 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. The Agency may, at the expense of the applicant, commission an independent appraisal of the subject property if, for any reason, the proposed project value of the property is in question.
- C. Payments in lieu of taxes shall be described in detail in a written PILOT Agreement between the Agency and the Project owner/sponsor. Project occupants 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 agreement shall take effect during the tax year immediately following the taxable status date (January 1 of each year) after the Agency acquires an interest in the project.
- D. The project shall make periodic payments in lieu of property taxes, in the amounts authorized under the approved PILOT Agreement to the City of Syracuse, for each year of the Agreement.

Such payment shall be made within the period the City allows payment of taxes levied without penalty. The 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 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 project owner (or to an agent designated in writing to the Agency by the 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 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 project owner until such payment in default shall have been made in full, and the 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 project shall be exempt from special assessments and special ad valorem levies lawfully levied and/or assessed against the facility premises.
- F. The following exemption categories shall be applicable to the Agency PILOT agreements:
 - a. **STANDARD:** Projects which may be eligible under the Agency's Project Approval Policy (Appendix A) and determined to have significant importance to the local economy by the Agency.
 - b. **HISTORIC:** Commercial, business, or industrial properties designated as a Local Protected Site by the Syracuse Landmark Preservation Board, as well as properties eligible to be listed, or listed individually, or as part of a district on the National Register of Historic Places are all eligible. 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.
 - c. **PRIORITY INDUSTRY:** Projects must be engaged in a priority industry, as identified by the North American Industry Classification System (NAICS) identified in the Project Approval Policy.
 - d. **PRIORITY COMMERCIAL & RESIDENTIAL:** Mixed use and residential projects that either locate in the Neighborhood Revitalization Strategy Areas (NRSA)¹ or consent to incorporate and rent 20% of the Project's residential units at the Annual 65% Area Median Income (AMI) rent limit rates for the City of Syracuse², designated by the US Department of Housing and Urban Development at the time of closing.
 - e. **CONSENT PILOT AGREEMENT:** Projects where the City of Syracuse and the County of Onondaga consent to a proposed abatement by resolution of the governing body of each affected tax jurisdiction.

¹ As defined in the City of Syracuse Department of Neighborhood and Business Development [Syracuse Consolidated Plan](http://www.syr.gov.net/uploadedFiles/Departments/Neighborhood_and_Business_Development/Content/Consolidated%20Plan%202015-19%20Final%20-%2001-06-2016.pdf) ([http://www.syr.gov.net/uploadedFiles/Departments/Neighborhood and Business Development/Content/Consolidated%20Plan%202015-19%20Final%20-%2001-06-2016.pdf](http://www.syr.gov.net/uploadedFiles/Departments/Neighborhood_and_Business_Development/Content/Consolidated%20Plan%202015-19%20Final%20-%2001-06-2016.pdf)).

² <https://www.hudexchange.info/manage-a-program/home-rent-limits/>

f. **Schedules**

Year	Standard	Historic	Priority Industry	Priority Commercial & Residential
1	100%	100%	100%	100%
2	100%	100%	100%	100%
3	100%	100%	100%	100%
4	100%	100%	100%	100%
5	100%	100%	100%	100%
6	100%	90%	100%	100%
7	100%	80%	100%	100%
8	75%	70%	100%	100%
9	50%	60%	100%	100%
10	25%	50%	100%	100%
11		40%	80%	80%
12		30%	60%	60%
13		20%	40%	40%
14		10%	20%	20%
15		0%	0%	0%

* Percentage represents a reduction of the increase in the assessment

G. **PILOT Deviations:**

- a. The Agency may deviate, on a case by case basis, from the Agency’s policies described above.
- b. Any deviations from this 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.
- c. Any deviations from this policy shall require approval by the Syracuse Common Council.

III. Sales Tax Exemptions

- A. The Agency’s policy is to grant exemption of state and local sales and use taxes for all qualified and approved projects to the full extent permitted by the State of New York. Such exemption would cover purchases of construction materials & equipment and of project related equipment & furnishings until the project is completed, i.e. certificate of occupancy.
- B. Operating and maintenance expenses incurred by an Agent of the Agency for a 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 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.

IV. Mortgage Recording Tax Exemptions

- A. The Agency's policy is to grant exemption from the mortgage recording tax to all qualified and approved projects to the full extent of the law.

V. Recapture of Agency Benefits

- A. It is the policy of the Agency to recapture the value of PILOT payments, State and County Sales and Use Tax, and Mortgage Recording Tax exemptions in accordance with the provisions contained in the Agency's Recapture Policy.

VI. Amendment or Modification

- A. 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 to the Laws of the State of New York.

Adopted: June 21, 2016