

## APPROVING RESOLUTION

As a result of the public health emergency created by COVID-19, the Federal, State and local bans on meetings or gatherings, and pursuant the Governor's Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, as extended on September 2, 2021, the City of Syracuse Industrial Development Agency (the "*Agency*") held a meeting on the 21<sup>st</sup> day of December, 2021, at 8:00 a.m., local time, electronically which was made available via Webex at: <https://syrgov.webex.com/syrgov/j.php?MTID=m0c155f0243b1c6fd3716ff6da5838f4e> (or by accessing the link on the Agency's website) and using meeting number 2336 227 5805 and password ggVpMJt6q36; or via telephone at (408) 418-9388 with access code: 2336 227 5805, in conjunction with the matter set forth below.

The meeting was called to order by the Chair and upon the roll being duly called, the following members were:

**PRESENT VIA TELE/VIDEOCONFERENCE** (in accordance with the Governor's Executive Order 202.1): Kathleen Murphy, Steven Thompson, Rickey T. Brown, Kenneth Kinsey, Dirk Sonneborn

**THE FOLLOWING PERSONS WERE ALSO PRESENT VIA TELE/VIDEOCONFERENCE** (in accordance with the Governor's Executive Order 202.1): Staff Present: Susan Katzoff, Esq. and Lori McRobbie; Others Present: Timothy Lynn, Esq., Christopher Bianchi, Scott Dumas, Kevin Delaney, Gail Montplaisir, Merike Treier, Gail Cawley, Mark Jenkins, Owen Kerney and Matthew Paulus

The following resolution was offered by Rickey T. Brown and seconded by Kenneth Kinsey:

**RESOLUTION APPROVING (1) AN INCREASE IN THE AMOUNT OF FINANCIAL ASSISTANCE AWARDED TO THE PROJECT; (2) AN UPDATED PAYMENT IN LIEU OF TAX SCHEDULE; (3) AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Syracuse 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 (the "*Enabling Act*"), together with Section 926 of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, 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**, by application dated September 27, 2017, as amended by supplemental application dated March 2019, as further amended or supplemented thereafter from time to time (collectively, the "**Application**"), Salina 1<sup>st</sup>, LLC, or an entity to be formed (the "**Company**"), requested the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition of an interest in approximately 82,534 square feet of vacant land located at 1081 South Salina Street in the City of Syracuse, New York (the "**Land**"); (ii) the construction of one or two buildings (to be determined in accordance with applicable zoning requirements), comprising an aggregate of 52,000 square feet to house: (a) approximately 23,400 sq. ft. of commercial and light manufacturing space on the first floor; and (b) approximately 11,250 sq. ft. of commercial office space (on the second and third floors) and approximately 11,250 sq. ft. of mixed income residential units (on the fourth and fifth floors) and approximately 5,700 sq. ft. of retail space (located on the first floor); and (c) the creation of approximately 55 surface parking spots and approximately 30,000 square feet of green space; all located on the Land (collectively, the "**Facility**"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment, including but not limited to green roofs, bio retention areas, solar panels (the "**Equipment**" and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the lease of the Land from the Company to the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, by resolutions adopted November 21, 2017 which were amended by resolutions adopted March 19, 2019 (collectively, the "**Resolutions**"), the Agency authorized the undertaking of the Project and the conference of the Financial Assistance; and

**WHEREAS**, the Agency, by resolutions adopted by on November 21, 2017 and March 19, 2019 (collectively, the "**SEQRA Resolution**"), determined that the acquisition, construction and equipping of the Project will not have a significant effect on the environment; and

**WHEREAS**, as part of the approved Financial Assistance, the Agency approved a 10-year payment in lieu of tax schedule, as described on **Exhibit "A"** attached hereto (the "**Original PILOT Schedule**"), and authorized the execution and delivery of a payment in lieu of taxes agreement (the "**PILOT Agreement**") providing for the Original PILOT Schedule; and

**WHEREAS**, in July 10, 2020, the Company advised that it was delayed in its ability to close on the lease/leaseback transaction, including but not limited to a company lease agreement, an agency lease agreement, a payment in lieu of taxes agreement and an environmental compliance and indemnification agreement (collectively, the "**Lease Documents**"), with the Agency to undertake the Project due to issues with the permitting process and matters relating to COVID-19. Thereafter, by letter dated December 2, 2020, the Company advised it was experiencing extended negative economic impacts from COVID-19; and

**WHEREAS**, by letter and supplemental application each dated December 2, 2021 (collectively, the "**Supplemental Application**") the Company advised that due to an increase in Project costs, the Company is requesting an increase of \$60,000 in the amount of State and local sales and use tax exemption previously awarded (from \$194,528.96 to \$254,528.96) and an increase of \$27,167.60 in the amount of mortgage recording tax exemption awarded (from approximately \$49,336.90 to \$76,504.50) (collectively, the "**Additional Financial Assistance**"); and

**WHEREAS**, the Agency and the Company have not yet closed on the Lease Documents or the PILOT Agreement but are slated to do so on or before December 31, 2021; and

**WHEREAS**, to account for the delay from the time of inducement to the time of the closing on the Lease Documents, the Agency has recalculated the payments under the Original PILOT Schedule to account for the delay and to adjust the applicable tax rate. The terms of the PILOT Agreement remain unchanged. Attached hereto at **Exhibit "B"** is the updated payment in lieu of tax schedule reflecting payments based on current tax rates (the "**Updated PILOT Schedule**"); and

**WHEREAS**, neither the Additional Financial Assistance nor the Updated PILOT Schedule require a new public hearing; and

**WHEREAS**, pursuant to the Supplemental Application, the Company advised of an intended change in membership interests of the Company such that Salina 1st Fund LLC (a newly created qualified opportunity zone fund (the "**Fund**")), may become the sole member of Salina 1<sup>st</sup>, LLC. The creation of the Fund will enable investors to receive Opportunity Zone tax benefits for their investment(s) in the Project. All of the current members of Salina 1st will be members of the Fund and any future investors will also become members of the Fund. Salina 1st LLC will continue to be the 100% fee owner of the Project. This is solely to facilitate Opportunity Zone investment. The restructuring is expected to occur this year, before the SIDA closing; and

**WHEREAS**, the Company advised that it will close with the Agency on the Lease Documents before it closes on its financing. To that end, the Company is requesting, in accordance with the Agency Lease, that the lending sources identified hereinbelow do not require further approval of the Agency under the Agency Lease, but that upon review of all necessary loan documents from these identified lenders and/or lending sources, and in compliance with the Agency Lease, that the authority given to the executive director and (vice) Chair of the Agency to execute and deliver documents in conjunction with all of the approved

Financial Assistance and the Project will suffice for purposes of these identified loan closings; and

**WHEREAS**, the lenders identified by the Company in conjunction with the foregoing request are: Commercial Property Assessed Clean Energy via Energy Improvement Corporation, its administrator ("**CPACE**"), the Black Economic Development Fund ("**LISC-BEDF**") and the Syracuse Economic Development Corporation ("**SEDCO**") (collectively and inclusively, the "**Lenders**"); and

**WHEREAS**, all of the action taken hereby, including but not limited to the Additional Financial Assistance and the Updated PILOT Schedule, are in furtherance of the Project and the Financial Assistance that was previously approved, which underwent an environmental review by the Agency pursuant to SEQRA, and the present requests do not constitute a substantial change in the Project and do not require reconsideration or further review by the Agency under SEQRA.

**NOW, THEREFORE**, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(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, 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.

(2) Based upon the representations made by the Company to the Agency and the reasons presented by the Company in support of its Supplemental Application and request for Additional Financial Assistance and authorization of the Lenders, the Agency hereby makes the following findings and determinations:

- (a) None of the action taken hereby, including but not limited to the Additional Financial Assistance nor the Updated PILOT Schedule, amount to a significant change in the Project from what was originally approved by the Agency, and therefore no further review under SEQRA is required.
- (b) Subject to compliance with the terms of the Resolutions, this Resolution and the Lease Documents (as defined herein), the Agency authorizes the Additional Financial Assistance and approves the Lenders and the Updated PILOT Schedule, as set forth herein, and acknowledges the proposed change in ownership structure.
- (c) The Chair, Vice Chair and/or the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver all necessary loan documents for

loans provided for the Project by one or more of the Lenders, upon advice and review by counsel to the Agency, without further action by the Agency and to execute and deliver all other documents required to carry out the intent of this Resolution.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein 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.

(4) As conditions precedent to the award of the Additional Financial Assistance the Company shall: (i) acknowledge that it is required to pay all fees associated with the Project and the Agency Agreement and all related amendments, including but not limited to any Agency fee, administrative fees and/or legal fees, regardless of whether the lease transaction required to confer the financial assistance contemplated by the parties ever closes; (ii) close with the Agency on the Lease Documents; and (iii) confirm there is no event of default under the existing Agency Agreement.

(5) The Secretary 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.

(6) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

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>
Kathleen Murphy	X	
Steven Thompson	X	
Rickey T. Brown	X	
Kenneth Kinsey	X	
Dirk Sonneborn	X	

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF ONONDAGA )

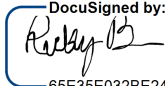
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on December 21, 2021, with the original thereof on file in my office, and that the same (including all exhibits) 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), as temporarily amended by Executive Order 202.1 issued on March 12, 2020 (“**EO 202.1**”), as amended and extended from time to time, such meeting was open to the general public and public notice of the time and how to participate in such meeting was duly given in accordance with such Section 104 and EO 202.1; (iii) the meeting was in all respects duly held; and (iv) there was a quorum present throughout.

**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 rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency on 1/25/2022 \_\_\_\_\_.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

By:  \_\_\_\_\_  
Rickey T. Brown, Secretary

**(S E A L)**

**Exhibit "A"**

**ORIGINAL PILOT SCHEDULE**

**Total Annual Payment**

1	\$9,880.10
2	\$10,077.71
3	\$10,279.26
4	\$10,484.85
5	\$10,694.54
6	\$10,908.43
7	\$11,126.60
8	\$11,349.13
9	\$11,576.12
10	\$11,807.64
11	\$47,219.47
12	\$84,043.04
13	\$122,320.68
14	\$162,095.80
15	\$203,412.99
<b>Total</b>	<b>\$727,276.36</b>

**Exhibit "B"****AMENDED PILOT SCHEDULE**

<i>Year</i>	<i>Amount</i>
1	\$9,741.87
2	\$9,936.71
3	\$10,135.44
4	\$10,338.15
5	\$10,544.91
6	\$10,755.81
7	\$10,970.93
8	\$11,190.35
9	\$11,414.15
10	\$11,642.44
11	\$46,558.81
12	\$82,867.18
13	\$120,609.26
14	\$159,827.88
15	\$200,567.00
Total	\$717,100.89