

PILOT DEVIATION APPROVAL RESOLUTION
ADMIRALS WATCH, LLC PROJECT

A regular meeting of City of Cohoes Industrial Development Agency (the "Agency") was convened in public session in the City Hall of Cohoes in the second floor Common Council Chambers located at 97 Mohawk Street in the City of Cohoes, Albany County, New York on July 17, 2018 at 8:15 o'clock a.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Ralph Signoracci, IV	Chairman
Michael Jacobson	Vice Chairman/Secretary
Marie Stark	Treasurer
Rod Dion	Member

ABSENT: Dr. Jennifer Spring

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Hon. Shawn M. Morse	Chief Executive Officer
Debbie Jacques	Executive Assistant
Catherine Hedgeman, Esq.	Agency Counsel
A. Joseph Scott, III	Agency Special Counsel

The following resolution was offered by ML Dion, seconded by ML Signoracci, to wit:

Resolution No. 718 - __

RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED PROJECT FOR ADMIRALS WATCH, LLC (THE "COMPANY").

WHEREAS, City of Cohoes Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 313 of the 1972 Laws of New York, as amended, constituting Section 896-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York.

to improve their 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, construct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in December, 2017, Admiral's Watch, LLC (the "Company"), a limited liability company duly organized and validly existing under the laws of the State of Delaware, has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest or interests in a parcel of land containing approximately .720 acres and located at 8 Admiral's Walk Drive (Tax Map No. 21.05-1-5.11) in the City of Cohoes, Albany County, New York (the "Land"), (2) the construction on the Land of a three (3) story building (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute a residential facility containing approximately 10 residential dwelling units to be sold by the Company to various residential owners/users and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the Application, and the representations made to the Agency by the Company, the Agency will not provide more than \$100,000 of Financial Assistance to the Company; therefore, Section 859-a of the Act does not require a public hearing be held with respect to the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on November 10, 2014 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the City of Cohoes Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board (the "Negative Declaration"), in which the Planning Board determined that the Project will not have a "significant environmental impact on the environment" and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated July 12, 2018 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers

of the City and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on July 12, 2018, the Chairman of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chairman of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional 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 resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Ralph Signoracci, IV	VOTING	<u>Yes</u>
Michael Jacobson	VOTING	<u>Yes</u>
Marie Stark	VOTING	<u>No Yes</u>
Rod Dion	VOTING	<u>Yes</u>
Dr. Jennifer Spring	VOTING	<u>Absent</u>

The foregoing Resolution was thereupon declared duly adopted.

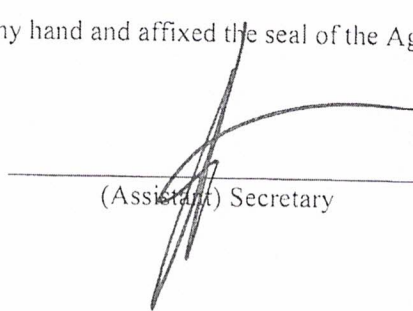
STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned (Assistant) Secretary of City of Cohoes Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 17, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 17th day of July, 2018.



(Assistant) Secretary

(SEAL)

EXHIBIT A
PILOT DEVIATION LETTER

- SEE ATTACHED -

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY
97 Mohawk Street
Cohoes, New York 12047

VIA CERTIFIED MAIL AND E-MAIL

July 12, 2018

Daniel P. McCoy, County Executive
112 State Street
Room 200
Albany, New York 12207

Jennifer Spring, Ed.D., Superintendent of Schools
Cohoes City School District
21 Page Avenue
Cohoes, New York 12047

Shawn M. Morse, Mayor
City of Cohoes
97 Mohawk Street
Cohoes, New York 12047-2897

Jeremy McDonald, Board President
Cohoes City School District
21 Page Avenue
Cohoes, New York 12047

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Cohoes Industrial Development Agency
Admiral's Watch, LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

City of Cohoes Industrial Development Agency (the "Agency") has received an application (the "Application") from Admiral's Watch, LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest or interests in a parcel of land containing approximately .720 acres and located at 8 Admiral's Walk Drive (Tax Map No. 21.05-1-5.11) in the City of Cohoes, Albany County, New York (the "Land"), (2) the construction on the Land of a three (3) story building (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute a residential facility containing approximately 10 residential dwelling units to be sold by the Company to various residential owners/users and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency to enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term ending on the Completion Date of the Project, currently estimated to be November 15, 2019.

Under the provisions of the Proposed Pilot Agreement, the assessed value of the Project Facility would be frozen at its current amount during the term of the Proposed Pilot Agreement. The Company would be required to make payments in lieu of taxes in an amount based on current tax rates and the frozen assessed value. Upon the Completion Date, the Proposed Pilot Agreement would terminate and the Project Facility would be subject to "normal taxes".

The Policy generally provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for July 17, 2018 at 8:15 a.m., local time at the offices of the Agency located at 97 Mohawk Street in the City of Cohoes, Albany County, New York (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

1. **The nature of the Project:** market residential housing facility.
2. **The present use of the property:** Housing facility.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** The economic condition of the Project site is below average to low, and the effect that the Project will have on the area is significant, and it is consistent with the economic development efforts of the City and the Agency.
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained:** The Company expects to create .5 full time equivalent employees by year 2019.
5. **The estimated value of new tax exemptions to be provided:** Sales Tax Exemption: \$65,680 and mortgage recording tax: \$15,000. With respect to the payments in lieu of taxes, the amount to be paid by the Company is not less than what is currently being paid and upon completion of the Project, the Proposed Pilot Agreement will terminate and the Company is obligated to pay "normal taxes".
6. **The economic impact of the Proposed Pilot Agreement on affected tax**

jurisdictions: Very positive as the amount of real estate taxes will increase.

7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** Very positive as the building will be significantly improved and the building location is very prominent in the City.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** over \$1,400,000.

9. **The effect of the Proposed Pilot Agreement on the environment:** None.

10. **Project Timing:** It is anticipated that this Project will be completed in a timely manner.

11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** None.

12. **Anticipated tax Revenues:** As noted above, the amount of real property taxes will increase in connection with the undertaking of the Project.

13. **The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The Project is consistent with the City's overall development efforts.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

CITY OF COHOES INDUSTRIAL
DEVELOPMENT AGENCY

By: s/Ralph Signoracci, IV
Chairman