

Date: March 30, 2022

At a special meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency") duly convened by the Chair of the Agency and held on Wednesday, March 30, 2022, at 6:30 p.m. at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the following members of the Agency were:

Present: Rose Graziano-Moffett, Randy Johnson, Vincent Pedi, Matthew Diggins

Absent:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the special meeting was to consider and take action on certain matters pertaining to the 316 Main Owner, LLC project located at 316 Main Street, City of Poughkeepsie, New York.

The following resolution was duly moved by Randy Johnson, seconded by Vincent Pedi, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Rose Graziano-Moffett ; Randy Johnson

Vincent Pedi ; Matthew Diggins

PROJECT AUTHORIZING RESOLUTION
(316 Main Owner, LLC Project)

A special meeting of the City of Poughkeepsie Industrial Development Agency was duly convened by the Chair of the Agency on Wednesday, March 30, 2022.

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

Resolution No. __/2022-__

RESOLUTION OF THE CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF 316 MAIN OWNER, LLC OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING (COLLECTIVELY, THE "COMPANY"); (ii) ACKNOWLEDGING THE PUBLIC HEARING HELD BY THE AGENCY ON MARCH 30, 2022; (iii) APPOINTING THE COMPANY AS ITS AGENT TO UNDERTAKE THE PROJECT (AS MORE FULLY DESCRIBED BELOW); (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT AND PILOT AGREEMENT MORTGAGE, AND RELATED DOCUMENTS WITH THE COMPANY WITH RESPECT TO THE PROJECT; (v) AUTHORIZING FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (1) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE PROJECT, (2) AN EXEMPTION FROM MORTGAGE RECORDING TAXES TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND (3) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED UNDER A PILOT AGREEMENT; AND (vi) AUTHORIZING THE EXECUTION OF A MORTGAGE AND RELATED DOCUMENTS

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 304 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the "Act"), the **CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, **316 Main Owner, LLC**, on behalf of itself or an entity to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency

requesting the Agency's assistance with a certain project (the "Project") for the benefit of the Company consisting of: (i) the Agency taking title, possession or control (by deed, lease, license or otherwise) of certain land commonly known as 316 Main Street, City of Poughkeepsie, New York (the "Land") and the existing vacant one-story office building located thereon (the "Existing Improvements"); (ii) the adaptive reuse of the existing one-story building and the construction of a 6 story, mixed use development to include 80 residential units and 20,790 SF of commercial space as follows: (A) The basement and ground floor will have as many as 28 commercial spaces, (B) the ground floor will feature north-south pedestrian access between Cannon Street and Main Street, (C) the 2nd floor will feature a courtyard patio for residents use, (D) the 2nd through 6th floors will include the construction of 80 residential units, (E) the roof-top deck will feature an urban farm, solar panels and a residents gathering area (the "Improvements"), all as more fully detailed in the Company's Application on file with the Agency; and (iii) the acquisition and installation by the Company in and around the Land, the Existing Improvements and the Improvements of items of equipment, machinery and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, the portion of the Facility that is primarily used in making retail sales to customers who personally visit such Facility shall constitute less than one-third of the total project cost, as indicated in the application of the Company to the Agency; and

WHEREAS, the Agency desires to provide financial assistance to the Company in the form of (i) exemptions from sales and use taxes otherwise payable upon the purchase or lease of materials, furnishings, fixtures and equipment, and other taxable personal property, (ii) exemptions from mortgage recording taxes to the extent permitted by applicable law in connection with the acquisition, financing, construction financing and/or permanent financing, or any subsequent refinancing, of the costs of the acquisition, renovation, construction, reconstruction, refurbishing and equipping of the Facility, and (iii) an abatement of real property taxes in such amount as the Agency may determine in order to accomplish the purposes of the Project (collectively, the "Financial Assistance"); and

WHEREAS, the Company has represented that the requested Financial Assistance is essential to the economic viability of the Project and is a necessary component of the financial structure of the Project; and

WHEREAS, the Company has represented that the Project is expected to maintain and increase employment in the City of Poughkeepsie and has made additional factual representations concerning itself and the Project upon which the Agency is relying in adopting these resolutions; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, the Company made application to the City of Poughkeepsie Planning Board (the "Planning Board") for site plan approval in connection with the Project; and

WHEREAS, the Planning Board has heretofore determined that this action constitutes a Type I Action under 6 NYCRR Part 617 of the SEQRA regulations, and has on August 17, 2021, adopted a Negative Declaration in connection with the Project; and

WHEREAS, an Agent and Financial Assistance and Project Agreement, Lease Agreement, Leaseback Agreement, Payment in-lieu-of Tax Agreement (the "PILOT" Agreement), PILOT Agreement Mortgage, each to be dated as of such date acceptable to the Chair or the Vice Chair of the Agency) and related documents (collectively, the "Agency Documents") shall be negotiated, and the Agency desires to authorize the undertaking of the Project; and

WHEREAS, that Company has requested the Agency deviate from its Uniform Tax Exemption Policy (the "UTEP") in granting it assistance for the Project of a PILOT; and

WHEREAS, as a condition to the provision of the Financial Assistance, the Company shall agree to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated; and

WHEREAS, on March 18, 2022, this Agency published in *The Poughkeepsie Journal* a notice of public hearing for the Project. The public hearing was duly held in at 6:30 p.m. at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601 on March 30, 2022; and

WHEREAS, concurrently with the publication of the notice this Agency notified the chief executive officer of each affected taxing jurisdiction of the proposed project and public hearing, that the proposed financial assistance deviated from the Agency's UTEP, and stated the reasons for such deviation; and

WHEREAS the Agency received comments as indicated in the minutes of the public hearing about the Project and considered such comments in making decisions regarding approving the Project; and

NOW, THEREFORE, BE IT RESOLVED by the CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY (a majority of the members thereof affirmatively concurring) as follows:

Section 1. Qualification of Project. Subject to the qualifications hereinafter set forth, the Agency hereby determines that undertaking and providing Financial Assistance to the Company in connection with the Project (i) will provide additional jobs within the City of Poughkeepsie, will promote a higher quality of housing for City residents, and will promote additional commerce in the neighborhood of the Project, and therefore satisfies the criteria of being a commercial project within the meaning of the Act, (ii) will promote and maintain the employment, commercial and job opportunities, health, general prosperity and economic welfare of the citizens of the City of Poughkeepsie and the State of New York and improve their standard of living, as well as prevent economic and unemployment deterioration, (iii) will not result in the removal of an industrial, manufacturing or commercial plant of the Company or any occupant of the Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any occupant of the Facility except as permitted by the Act, and (iv) is authorized by the Act and will be in furtherance of the policy of the State of New York as set forth therein.

Section 2. No Recourse or Personal Liability. No provision of these resolutions or any other related document shall constitute or give rise to a charge upon the general credit of the Agency or impose upon the Agency a pecuniary liability. No recourse shall be had for the payment of, or the performance of any obligation in connection therewith against any member, employee, representative or agent of the Agency, nor is or shall any such person become personally liable for any such payment or performance.

Section 3. GML Section 875. The terms and conditions of subdivision 3 of Section 875 of the General Municipal Law are hereby incorporated herein and made a part of these resolutions.

Section 4. The City of Poughkeepsie Planning Department has conducted a review of the Project pursuant to SEQRA. In addition to classifying the Project as a Type I pursuant to SEQRA, the City of Poughkeepsie Planning Department issued a Negative Declaration on August 17, 2021, determining that the Project does not pose a potential significant adverse environmental impact. The Agency, having reviewed the materials presented by the Company, including but not limited to, a Full Environmental Assessment Form dated June 2, 2021, further determines that the Project does not pose a potential significant adverse environmental impact and thus ratifies the Negative Declaration issued by the City of Poughkeepsie Planning Department pursuant to 6 N.Y.C.R.R. § 617.7.

Section 5. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$7,239,848**, which result in New York State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed **\$583,598.86**. The Agency agrees to consider any requests by the Company for increase to the amount of Sales and Use Tax Exemption Benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 6. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any Sales and Use Tax Exemption Benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the Sales and Use Tax Exemption Benefits; (ii) the Sales and Use Tax Exemption Benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the Sales and Use Tax Exemption Benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the Sales and Use Tax Exemption Benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent to receiving Sales and Use Tax Exemption Benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 7. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes the grant of Financial Assistance in the form of (i) exemptions from sales and use taxes otherwise payable upon the purchase or lease of materials, furnishings, fixtures and equipment, and other taxable personal property, (ii) exemptions from mortgage recording taxes to the extent permitted by applicable law in connection with the acquisition, financing, construction financing and/or permanent financing, or any subsequent refinancing, of the costs of the acquisition, renovation, construction, reconstruction, refurbishing and equipping of the Facility, and (iii) an abatement of real property

taxes in such amount as the Agency may determine in order to accomplish the purposes of the Project (collectively, the "Financial Assistance").

Section 8. Subject to the Company executing the Agency Documents and the delivery to the Agency of a binder, certificate or other evidence of a liability insurance policy for the Facility satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency, pursuant to the provisions of the Agency Documents: (i) to construct, reconstruct, renovate, refurbish and equip the Facility; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Company's status as agent of the Agency and related sales tax exemption letter shall expire on **March 30, 2024** (unless extended for good cause by the Chair or other authorized representative of the Agency).

Section 9. (a) The Chair or the Vice Chair of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents (consistent with the schedule of PILOT payments and corresponding real property tax abatements presented to and hereby approved by the Agency and attached to and made a part of these resolutions as Exhibit A which real property tax abatements and benefits shall not be transferable by the Company to any person or entity), in the forms acceptable to the Chair or the Vice Chair of the Agency. The execution of the Agency Documents by the Agency shall constitute conclusive evidence of such approval.

(b) The Chair or the Vice Chair of the Agency is further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 10. The Chair or the Vice Chair of the Agency are hereby further authorized, on behalf of the Agency, to execute, deliver and record any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project and/or finance or re-finance acquisition and Project costs, equipment and other personal property and related transactional costs (the "Lender Documents"; and, together with the Agency Documents, the "Project Documents") and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Project Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair of the Agency shall approve, the execution thereof by the Chair of the Agency to constitute conclusive evidence of such approval;

provided, in all events, recourse against the Agency is limited to the Agency's interest in the Facility.

Section 11. 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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 12. Due to the complex nature of this transaction, the Agency hereby authorizes its Chair or the Vice Chair of the Agency to approve, execute and deliver such further agreements, documents and certificates as the Agency may be advised by counsel to the Agency to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chair of the Agency.

Section 13. Without limiting any of the foregoing, it shall be a condition to the Agency's agreement to enter into the Project Documents and to provide the Financial Assistance to the Company in connection with the Project that any and all real property taxes, assessments, levies, charges, fees, penalties, costs, expenses and/or interest due and payable to any taxing jurisdiction with respect to the Land and/or the Existing Improvements be paid in full or otherwise waived or satisfied in writing by such taxing jurisdiction(s), all to the satisfaction of the Chair or Vice Chair of the Agency.

Section 14. These resolutions shall take effect immediately and shall remain in full force and effect until, and shall expire on, March 30, 2024 unless, prior to the expiration date of these resolutions, either (i) the Agency, upon written request by the Company, agrees in its sole and absolute discretion by resolution of the Agency to extend the expiration date of these resolutions, or (ii) the Company submits a new application with respect to the Project and the Agency in its sole and absolute discretion adopts a new authorizing resolution with respect to the Project in accordance with the Act, other applicable law and the policies of the Agency then in effect.

STATE OF NEW YORK)
) ss:
COUNTY OF DUTCHESS)

I, the undersigned, Chair of the City of Poughkeepsie Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on March 30, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions 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 public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY, that 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 resolutions are in full force and effect and have not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 30th day of March, 2022.



Secretary

EXHIBIT A
PILOT SCHEDULE

City of Poughkeepsie, NY
Industrial Development Agency
Project Tax Exemption Schedule

**IDA UTEP Schedule Granted:
Deviation**

Owner(s) / Applicant(s)	316 Main Owner, LLC
Project	316 Main Street
Location	316 Main Street, Poughkeepsie
Parcel(s) / Lot(s) / Block(s)	6162-77-095061
Date	March 30, 2022

Year	Annual Percentage Tax Exemption on Incremental Tax Assesment After Development
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1	100%
2	100%
3	85%
4	80%
5	75%
6	70%
7	65%
8	60%
9	55%
10	50%
11	40%
12	25%

Note/ Comments:

- This project warrants a PILOT deviation because it is:
 - o Expected to be the first property developed in a much larger contiguous neighborhood project
 - o Deemed to be significantly catalytic to revitalization of the entire neighborhood
 - o Improves the Mid-Hudson Bridge entry into the City of Poughkeepsie