

Date: February 13, 2019

At a meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency") duly convened by the Chair of the Agency and held on Wednesday, February 13, 2019, 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: Melanie Vetter
 Nathan Shook
 Randall Johnson, Sr.
 Norman Smith

Absent:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the CNN Spruce, LLC project located at as 112 Delafield Street, 110 Delafield Street, 54 Spruce Street, 52 Spruce Street, 48 Spruce Street and 46 Spruce Street, City of Poughkeepsie, Dutchess County, New York.

The following resolution was duly moved and seconded, discussed and adopted with the following members voting:

<u>Voting Aye</u>	<u>Voting Nay</u>
Ms. Vetter	
Mr. Johnson	
Mr. Smith	
Mr. Shook	

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AMENDMENT TO AMENDED AND RESTATED PROJECT AUTHORIZING
RESOLUTION
(*CNN Spruce, LLC Project*)

A meeting of the City of Poughkeepsie Industrial Development Agency was duly convened by the Chair of the Agency on Wednesday, February 13, 2019.

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

Resolution No. ___/2019-___

AMENDMENT TO AMENDED AND RESTATED PROJECT AUTHORIZING RESOLUTION OF THE CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY (i) APPOINTING CNN SPRUCE, LLC OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING (THE "COMPANY") AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) 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; (iii) AUTHORIZING FINANCIAL ASSISTANCE (THE "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 NEW YORK STATE LAW, AND (3) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED UNDER A "PILOT" AGREEMENT; AND (iv) 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, **CNN SPRUCE, LLC**, or an entity formed or to be formed on behalf of the foregoing (the "Company"), previously submitted an application, as subsequently revised, amended and/or supplemented (collectively, 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 112 Delafield Street, 110 Delafield Street, 54 Spruce Street, 52 Spruce Street, 48 Spruce Street and 46 Spruce Street, City of Poughkeepsie, Dutchess County, New York, being more particularly identified as tax map parcel number 6062-

52-887505, 6062-60-900496, 6062-60-899489, 6062-60-895491, 6062-60-891491, and 6062-60-889491 (collectively, the "Land") and any existing improvements located thereon, but excluding therefrom the existing office building located at 112 Delafield Street (the "Existing Improvements"); (ii) the construction on the Land of (a) an approximately 22,400 square-foot three-story mixed-use building of which (x) approximately 22,000 square feet will be comprised of approximately eighteen (18) units consisting of nine (9) one-bedroom units and nine (9) two-bedroom units (the "Multifamily Improvements"), and (y) approximately 200 square feet will be comprised of a commercial bakery and a bakery café with some seating for bakery patrons (the "Bakery Improvements" and together with the Multifamily Improvements, collectively, the "Mixed-Use Building Improvements"), (b) an approximately 12,900 square-foot three-story office building (the "Office Building Improvements"), and (c) a walkway connecting the Multifamily Improvements and the Office Building Improvements (the "Walkway Improvements"; and, together with the Mixed-Use Building Improvements and the Office Building Improvements, collectively, 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, pursuant to a resolution adopted by the Agency on September 12, 2018 (the "Initial Resolution") the Agency (i) accepted the Application of the Company, and (ii) described the forms of Financial Assistance (as heretofore defined) initially being contemplated for the benefit of the Company by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, on January 16, 2019, at 6:30 p.m., local time, at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; 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, pursuant to SEQRA, the Planning Board declared itself Lead Agency in connection with all processing procedures, determinations and findings, to be made or conducted with respect to the site plan submitted by the Company; and

WHEREAS, by resolution duly adopted on January 18, 2018 and amended November 27, 2018, the Planning Board determined that this action constitutes an Unlisted Action under 6

NYCRR Part 617 of the SEQRA regulations, which will not have a significant effect on the environment and therefore does not require the preparation of an Environmental Impact Statement; and

WHEREAS, the Agent and Financial Assistance and Project Agreement, Lease Agreement, Leaseback Agreement, Payment in-lieu-of Tax Agreement (the "PILOT" Agreement), PILOT Agreement Mortgage, each dated as of February 1, 2019 (or such other date acceptable to Chair, Vice Chair, the Executive Director of the Agency or other authorized representative 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, by resolution of the Agency duly adopted at its meeting on January 16, 2019 (the "Final Authorizing Resolution"), the Agency authorized the granting of Financial Assistance to the Company in connection with the Project as more fully set forth therein; and

WHEREAS, among the Financial Assistance authorized pursuant to the Final Authorizing Resolution was a schedule of PILOT payments and corresponding real property tax abatements presented to and approved by the Agency and attached to and made a part of the Final Authorizing Resolution as Exhibit B thereto; and

WHEREAS, Exhibit B to the Final Authorizing Resolutions set forth a schedule of fixed PILOT payments over the ten (10) year term of the proposed PILOT Agreement (as such term is defined in the Final Authorizing Resolution) which schedule was based upon a schedule of percentage abatements of total taxes; and

WHEREAS, it was the intention of both the Agency and the Company that the schedule of PILOT payments be expressed not as a fixed dollar amount each year during the term of the PILOT Agreement but, rather, as a percentage of the total taxes that would otherwise have been due with respect to the Project during the term of the PILOT Agreement, based upon the assessed valuation thereof, had the Project been maintained on the taxable assessment rolls during said term; and

WHEREAS, the Agency wishes to amend the Final Authorizing Resolution by revising Exhibit B thereto so as to eliminate the schedule of fixed payment amounts and, in its place, set forth a proposed PILOT schedule setting forth the applicable percentage of tax exemption for each year of the term of the PILOT Agreement.

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

Section 1. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Final Authorizing Resolution.

Section 2. Exhibit B to the Final Authorizing Resolution is deleted in its entirety and Amendment Exhibit 1, attached hereto and made a part hereof, is inserted in its place as Exhibit B thereto.

Section 3. Except as expressly amended as hereinbefore set forth, the Final Authorizing Resolution is hereby restated, ratified and confirmed and remains in full force and effect.

Section 11. These Resolutions shall take effect immediately.

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

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

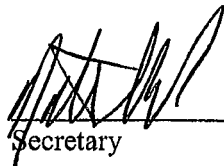
That I have compared the annexed extract of minutes of the special meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on February 13, 2019, with the original thereof on file in my office, and that the same is a true and 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 13th day of February, 2019.



Secretary

AMENDMENT EXHIBIT 1

PILOT Schedule

<u>PILOT Year</u>	<u>Annual Percentage Tax Exemption</u>
0	0% (Full taxes paid)
1	80%
2	75%
3	70%
4	65%
5	60%
6	55%
7	50%
8	45%
9	40%
10	35%