

Date: August 26, 2020

At a regular meeting of the City of Poughkeepsie Industrial Development Agency (the “Agency”) was convened in public session, electronically, pursuant to Executive Order No. 202.11, 202.28, 202.48 and 202.55 - Continuing Temporary Suspension and Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York on August 26, 2020 at 6:30 p.m., local time.

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 or Vice 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:

Voting Aye

Ms. Vetter
Mr. Smith
Mr. Johnson
Mr. Shook

Voting Nay

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, August 26, 2020.

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

RESOLUTION OF THE CITY OF POUGHKEEPSIE INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING THE EXTENSION OF CNN
SPRUCE, LLC'S STATUS AS AGENT OF THE AGENCY AND RELATED
SALES TAX EXEMPTION LETTER TO AND INCLUDING DECEMBER 31,
2020 AND AUTHORIZING THE EXECUTION OF 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, (ii) authorized a public hearing with respect to the Project, and (iii) described the forms of financial assistance 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 the 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 determined that the Project did not pose a potential significant adverse environmental impact and thus ratified the Negative Declaration previously issued by the City of Poughkeepsie Planning Board pursuant to 6 N.Y.C.R.R. § 617.7; and

WHEREAS, pursuant to a resolution adopted by the Agency on January 16, 2019, as amended by resolution adopted by the Agency on February 13, 2019 (the “Authorizing Resolution”) the Agency, among other things, (i) appointed the Company as its agent to undertake the Project; (ii) authorized the execution and delivery of an Agent and Financial Assistance and Project Agreement and related documents with the Company with respect to the Project; (iii) authorized financial assistance with respect to the Project (the “Financial Assistance”) to the Company in the form of, among other things, a sales and use tax exemption for purchases and rentals related to the Project; and (iv) authorized the execution of related documents; and

WHEREAS, pursuant to the Authorizing Resolution the Agency authorized and approved the Company, as its agent, to make purchases and rentals 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 \$4,700,148 which result in New York State and local sales and use tax exemption benefits (“Sales and Use Tax Exemption Benefits”) not to exceed \$381,887; and

WHEREAS, pursuant to the Authorizing Resolution the Agency authorized the Company to proceed with the undertaking of the Project and appointed the Company as the true and lawful agent of the Agency, pursuant to the provisions of the Agent and Financial Assistance and Project Agreement; provided, however, the Company’s status as agent of the Agency and related sales tax exemption letter would expire on March 31, 2020 (unless extended for good cause by the Chair or other authorized representative of the Agency); and

WHEREAS, on February 1, 2020, upon good cause demonstrated by the Company, the Agency authorized the extension of the Company's status as agent of the Agency and related sales tax exemption letter to and including June 30, 2020; and

WHEREAS, the Company's status as agent of the Agency expired on June 30, 2020; and

WHEREAS, by letter, dated August 17, 2020, the Company has applied to the Agency for a further extension of its status as agent of the Agency and related sales tax exemption letter, effective August 26, 2020, to and including December 31, 2020 due to unanticipated delays in the Project's construction due to the COVID-19 pandemic; and

WHEREAS, the Company has agreed to pay to the Agency the amount of \$1,034.96, representing the sales tax owed on purchases undertaken by the Company between July 1, 2020 and August 26, 2020 in furtherance of the Project (the "Recaptured Benefits"), which are to be remitted to the Commissioner of Taxation and Finance of the State of New York; and

WHEREAS, the Company has advised the Agency that the proposed extension will not necessitate a request for any increase in the Sales and Use Tax Exemption Benefits authorized by the Agency pursuant to the Authorizing Resolution; and

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

Section 1. The Agency hereby determines that an extension of the Company's status as agent of the Agency and related sales tax exemption letter constitutes a Type II Action pursuant to the New York State Environmental Quality Review Act, Article 8 of the New York State Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617.1 et. seq., as amended.

Section 2. Based upon representations and warranties made by the Company in the letter dated August 17, 2020, the Agency hereby determines that good cause exists for a further extension of the Company's status as agent of the Agency and related sales tax exemption letter and hereby authorizes an extension of the Company's status as agent of the Agency and related sales tax exemption letter to and including December 31, 2020 (unless extended for good cause by the Chair or other authorized representative of the Agency) (the "Extension"). In all other respects, the terms and conditions of the Authorizing Resolution are ratified and confirmed and remain in full force and effect.

Section 3. Notwithstanding any provision of the contrary, the Extension shall be effective upon the payment of the Recaptured Benefits to the Agency by the Company.

Section 4. The Chair, Vice Chair or Secretary 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 agreements, certificates, filings, returns, 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 Chair, Vice Chair or Secretary of

the Agency 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 4. These Resolutions shall take effect immediately.

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 August 26, 2020, 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 Article 7 of the Public Officers Law (“Article 7”), and Executive Order 202.11, 202.28, 202.48 and 202.55, as amended (the “Executive Order”), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7 and the Executive Order.

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 26 day of August, 2020.



SECRETARY