

**INDUCEMENT RESOLUTION:
209-215 Dryden Associates, LLC
209-211, 213, & 215 Dryden Road & 240 Linden Avenue, City of Ithaca**

A special meeting of the Tompkins County Industrial Development Agency was convened on September 25, 2015 at 4:00 p.m.

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

Resolution authorizing the Tompkins County Industrial Development Agency to

(i) take a leasehold interest in real property consisting of four parcels of land to be acquired by 209-215 Dryden Associates, LLC and located at 209-211, 213, and 215 Dryden Road and 240 Linden Avenue in the City of Ithaca, Tompkins County, New York (currently designated as City of Ithaca tax parcel numbers 64.-10-3, -4, -5, and -6), and improvements to be constructed thereon;

(ii) appoint 209-215 Dryden Associates, LLC as its agent to acquire, construct and equip thereon a new approximately 73,000-square-foot, six-story building to be leased to Cornell University to house its Johnson School of Management Executive Education Program;

(iii) negotiate and execute a lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement;

(iv) provide financial assistance to 209-215 Dryden Associates, LLC in the form of:

(a) a sales tax exemption for purchases and rentals related to the acquisition, construction and equipping of the project,

(b) a partial real property tax abatement through the PILOT Agreement, and

(c) a mortgage tax exemption for the financing related to the project; and

(v) execute related documents.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and § 895-b of the General Municipal Law of the State of New York, as amended (hereinafter collectively called the "Act"), TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, 209-215 Dryden Associates, LLC (hereinafter called the "Company"), for itself or on behalf of an entity to be formed, desires to acquire, construct and equip upon real property to be acquired by the Company at 209-211, 213, and 215 Dryden Road and 240 Linden Avenue in the City of Ithaca, Tompkins County, New York (currently designated as City of Ithaca tax parcel numbers 64.-10-3, -4, -5, and -6) (the

“Land”) an approximately 73,000-square-foot, six-story building to be leased to Cornell University to house its Johnson School of Management Executive Education Program (hereinafter called the “Project”); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing, and equipping the Project, (ii) negotiate and enter into a lease agreement (the “Lease”), leaseback agreement (the “Leaseback Agreement”) and payment-in-lieu-of-tax agreement (the “PILOT Agreement”) with the Company containing the abatement schedule set forth in Exhibit A, (iii) take a leasehold interest in the land and the improvements and personal property constituting the Project (once the Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a mortgage tax exemption for the financing related to the Project; and

WHEREAS, pursuant to General Municipal Law Section 859-a, at 4:00 p.m. on September 25, 2015 at the Legislative Chambers of the County of Tompkins, located in the City of Ithaca at 121 East Court Street, Ithaca, New York, 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. A copy of the minutes of said Public Hearing is attached hereto as Exhibit B; and

WHEREAS, the City of Ithaca Planning and Development Board on August 25, 2015 issued a negative declaration (the “SEQR Proceedings”) under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQR”) with respect to the Project. A copy of the negative declaration is attached hereto as Exhibit C; and

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application, the Agency hereby finds and determines that:

- a. By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- b. It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project;
- c. The Agency has the authority to take the actions contemplated herein under the Act;

- d. The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Tompkins County and otherwise furthering the purposes of the Agency as set forth in the Act;
- e. The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State, and the Agency hereby finds that, based on the Company’s application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries;

Section 2. Based upon a review of the Company’s application and the SEQR Proceedings submitted to the Agency, the Agency hereby:

- a. Consents to and affirms the status of the City of Ithaca Planning and Development Board (the “Planning Board”) as Lead Agency within the meaning of, and for all purposes of complying with, SEQR;
- b. Determines that the proceedings undertaken by the Planning Board as Lead Agency under SEQR with respect to the acquisition, construction and equipping of the Facility satisfy the requirements of SEQR, and ratifies and confirms such proceedings by the Planning Board as Lead Agency;
- c. Determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the financial assistance contemplated by the Agency with respect to the Project and the participation by the Agency in undertaking the Project have been satisfied.

Section 3. Based upon the representations and warranties made by the Company in its application for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$25,200,000**, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed **\$2,016,000**. 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 4. 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 of 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, must (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 5. Subject to the Company executing the Agent Agreement attached hereto as Exhibit D and the Inducement Agreement attached hereto as Exhibit E, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (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 on its own behalf; provided, however, that the Agent Agreement shall expire on **October 31, 2017** (unless extended for good cause by the Administrative Director of the Agency) if the Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 6. The Chairperson, Vice Chairperson and/or Secretary of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (a) the Lease Agreement whereby the Company conveys a leasehold interest in the Project to the Agency, (b) the related Leaseback Agreement leasing the Project back to the Company, and (c) the PILOT Agreement; provided (i) the rental payments under the Leaseback Agreement include payment of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 7. The Chairperson, Vice Chairperson and/or Secretary of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any and all documents, in a form acceptable to the Agency's counsel, reasonably contemplated by these resolutions to accomplish building construction, acquisition and installation of equipment and other personal property, and related transactional costs (hereinafter, with the Leaseback Agreement and PILOT Agreement, collectively called the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairperson, Vice Chairperson and/or Secretary of the Agency shall approve,

the execution thereof by the Chairperson, Vice Chairperson and/or Secretary of the Agency to constitute conclusive evidence of such approval; provided in all events that recourse against the Agency is limited to the Agency's interest in the Project.

Section 8. 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 9. These resolutions shall take effect immediately.

The question of the adoption of the foregoing resolutions was duly put to a vote by roll call, which resulted as follows:

<u>Member names</u>	<u>Yea</u>	<u>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Jim Dennis, Chairperson	[]	[]	[]	[]
Svante L. Myrick	[]	[]	[]	[]
Will Burbank	[]	[]	[]	[]
Nathan Shinagawa	[]	[]	[]	[]
Grace Chiang	[]	[]	[]	[]
Martha Robertson	[]	[]	[]	[]
Jennifer Tavares	[]	[]	[]	[]

The resolutions were thereupon duly adopted.

I, Svante L. Myrick, as Secretary of the Tompkins County Industrial Development Agency, hereby certify that the above is a true and correct copy of a duly authorized resolution of the Tompkins County Industrial Development Agency.

Dated: September _____, 2015

Svante L. Myrick, Secretary of the
Tompkins County Industrial Development Agency

EXHIBIT A

Payment-in-Lieu-of-Tax (“PILOT”) Agreement abatement schedule

- fifty-year fixed payment structure
- first year’s payment based on 2015 assessed value and 2014/15 tax rates
- second year’s payment 2% increase over first year’s payment
- beginning in year 3, payment based on 2015 tax rates and aggregate value, including land, of \$5,200,000
- payments increase by 2% each year after year 3

<u>YEAR OF EXEMPTION</u>	<u>TOTAL ANNUAL PAYMENT TO TAXING JURISDICTIONS IN LIEU OF TAX</u>	
1	2016-17 School; 2017 County; 2017 City	\$ 39,473
2	2017-18 School; 2018 County; 2018 City	\$ 40,262
3	2018-19 School; 2019 County; 2019 City	\$ 205,337
4	2019-20 School; 2020 County; 2020 City	\$ 209,444
5	2020-21 School; 2021 County; 2021 City	\$ 213,633
6	2021-22 School; 2022 County; 2022 City	\$ 217,905
7	2022-23 School; 2023 County; 2023 City	\$ 222,263
8	2023-24 School; 2024 County; 2024 City	\$ 226,709
9	2024-25 School; 2025 County; 2025 City	\$ 231,243
10	2025-26 School; 2026 County; 2026 City	\$ 235,868
11	2026-27 School; 2027 County; 2027 City	\$ 240,585
12	2027-28 School; 2028 County; 2028 City	\$ 245,397
13	2028-29 School; 2029 County; 2029 City	\$ 250,305
14	2029-30 School; 2030 County; 2030 City	\$ 255,311
15	2030-31 School; 2031 County; 2031 City	\$ 260,417
16	2031-32 School; 2032 County; 2032 City	\$ 265,625
17	2032-33 School; 2033 County; 2033 City	\$ 270,938
18	2033-34 School; 2034 County; 2034 City	\$ 276,357
19	2034-35 School; 2035 County; 2035 City	\$ 281,884
20	2035-36 School; 2036 County; 2036 City	\$ 287,521
21	2036-37 School; 2037 County; 2037 City	\$ 293,272
22	2037-38 School; 2038 County; 2038 City	\$ 299,137
23	2038-39 School; 2039 County; 2039 City	\$ 305,120
24	2039-40 School; 2040 County; 2040 City	\$ 311,222
25	2040-41 School; 2041 County; 2041 City	\$ 317,447
26	2041-42 School; 2042 County; 2042 City	\$ 323,796
27	2042-43 School; 2043 County; 2043 City	\$ 330,272
28	2043-44 School; 2044 County; 2044 City	\$ 336,877
29	2044-45 School; 2045 County; 2045 City	\$ 343,615
30	2045-46 School; 2046 County; 2046 City	\$ 350,487

31	2046-47 School; 2047 County; 2047 City	\$ 357,497
32	2047-48 School; 2048 County; 2048 City	\$ 364,647
33	2048-49 School; 2049 County; 2049 City	\$ 371,940
34	2049-50 School; 2050 County; 2050 City	\$ 379,378
35	2050-51 School; 2051 County; 2051 City	\$ 386,966
36	2051-52 School; 2052 County; 2053 City	\$ 394,705
37	2052-53 School; 2053 County; 2053 City	\$ 402,599
38	2053-54 School; 2054 County; 2054 City	\$ 410,651
39	2054-55 School; 2055 County; 2055 City	\$ 418,864
40	2055-56 School; 2056 County; 2056 City	\$ 427,242
41	2056-57 School; 2057 County; 2057 City	\$ 435,786
42	2057-58 School; 2058 County; 2058 City	\$ 444,502
43	2058-59 School; 2059 County; 2059 City	\$ 453,392
44	2059-60 School; 2060 County; 2060 City	\$ 462,460
45	2060-61 School; 2061 County; 2061 City	\$ 471,709
46	2061-62 School; 2062 County; 2062 City	\$ 481,143
47	2062-63 School; 2063 County; 2063 City	\$ 490,766
48	2063-64 School; 2064 County; 2064 City	\$ 500,582
49	2064-65 School; 2065 County; 2065 City	\$ 510,593
50	2065-66 School; 2066 County; 2066 City	\$ 520,805
51	Thereafter	no PILOT agreement