

**RESOLUTION**

*(Arnot Ithaca 2, LLC Project)*

A regular meeting of the Tompkins County Industrial Development Agency was convened in public session on Wednesday, December 9, 2020, at 2:30 p.m., local time.

The meeting was duly called to order by the Chair, with the following members being:

PRESENT: RICH JOHN, MARTHA ROBERTSON, LAURA LEWIS, MIKE SIGLER, JENNFIER TAVARES, ANNE KOREMAN, JOHN GUTTRIDGE

ABSENT:

ALSO PRESENT:

On motion duly made and seconded, the following resolution was placed before the members of the Tompkins County Industrial Development Agency:

RESOLUTION OF THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACKNOWLEDGING THE PUBLIC HEARING HELD BY THE AGENCY WITH RESPECT TO THE PROJECT (AS DEFINED BELOW), (ii) ACKNOWLEDGING AND RATIFYING THE NEGATIVE DECLARATION ISSUED BY THE CITY OF IHTACA PLANNING BOARD (AS DEFINED BELOW) PURSUANT TO ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW AND 6 N.Y.C.R.R. PART 617 IN CONNECTION WITH THE PROJECT (AS DESCRIBED BELOW); (iii) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT, MORTGAGE AND RELATED DOCUMENTS; AND (iv) DESCRIBING AND AUTHORIZING THE FINANCIAL ASSISTANCE TO BE PROVIDED BY THE AGENCY TO THE COMPANY IN THE FORM OF (a) A SALES AND USE TAX EXEPTION, (b) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED THROUGH THE TAX AGREEMENT, AND (c) AN EXEMPTION FROM MORTGAGE RECORDING TAXES IMPOSED ON THE FINANCING RELATED TO THE PROJECT.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York (the "State"), duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, and Chapter 535 of the Laws of 1971 of the State as amended and codified as Section 895-b of the General Municipal Law (collectively, the "Act"), the **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to acquire, construct, renovate, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction or renovation, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, **ARNOT ITHACA 2, LLC**, for itself and/or on behalf of an entity or entities to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project"), consisting of: (A) the acquisition by the Agency of a leasehold or other interest in certain real property located at 430-444 W. State Street in the City of Ithaca, New York (the "Land", being more particularly identified as tax parcel No. 71.-1-3) and the existing improvements located thereon, consisting principally of an approximately 35,000 square foot building (the "Existing Improvements"), (B) the renovation of the Existing Improvements and the planning, design and construction of approximately 100,000 additional square feet of building space to be developed into a five-story, mixed-use building consisting principally of: (i) 129 residential rental units, (ii) approximately 4,800 square feet of commercial space to accommodate the leasing thereof by three prospective tenants, (3) approximately 49 parking space, and (4) related amenity spaces, curbage and related site and exterior improvements (collectively, the "Improvements") and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other items of tangible personal use (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility").

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance (as such term is defined below) that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) negotiate and enter into an agent and financial assistance and project agreement (the "Project Agreement"), a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement"), a payment-in-lieu-of-tax agreement (the "Tax Agreement") and related documents with the Company, (ii) take title to or a leasehold interest in, the Land, the Existing Improvements, the Improvements, the Equipment and the personal property constituting the Project (once the Lease Agreement, the Leaseback Agreement and the Tax Agreement have been negotiated), and (iii) provide financial assistance to the Company in the form of (a) an exemption from sales and use tax for the purchase or rentals of goods and services in connection with the Project, (b) a partial real property tax abatement structured though the Tax Agreement, and (c) an exemption from mortgage recording taxes imposed on the financing related to the Project by the State (but not as

to those taxes imposed on the financing related to the Project by Tompkins County, New York) ((a) through (c) are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, on November 11, 2020, the Agency, by duly approved motion, accepted the Application and directed that a public hearing be held; and

WHEREAS, pursuant to Section 859-a of the Act, on Tuesday, December 8, 2020, at 1:00 p.m., local time, 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 reasonably 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 City of Ithaca Planning Board (the "Planning Board"), acting as "lead agency" (as such quoted term is defined under SEQRA), classified the Project as a "Type I" action (as such quoted term is defined under SEQRA), conducted a coordinated review of the Project and issued a "negative declaration" (as such quoted term is defined under SEQRA) with respect to the Project; and

WHEREAS, such Financial Assistance to be provided to the Company by the Agency under the Tax Agreement deviates from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, it is in the interest of the Agency to provide the Financial Assistance in order to assist the Company in providing housing and other related amenities; and

WHEREAS, pursuant to Section 874 of the Act, the Agency provided notice to the affected local taxing jurisdictions of its intention to deviate from its Policy and the reasons therefore by correspondence mailed or delivered to Tompkins County, the City of Ithaca, and the Ithaca City School District (collectively, the "Affected Tax Jurisdictions"); and

WHEREAS, the Project Agreement, the Lease Agreement, the Leaseback Agreement, the Tax Agreement and related documents are being negotiated and will be presented to the Agency for execution upon approval of this resolution.

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

Section 1. The Company has presented the Application in a form acceptable to the Agency. Based upon representations made by the Company to the Agency in the 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; and

B. The Agency has the authority to take the actions contemplated herein under the Act; and

C. The action to be taken by the Agency will induce the Company to develop the Project in Tompkins County, New York, and otherwise further the purposes of the Agency as set forth in the Act; and

D. 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 to another area of the State or result in the abandonment of one (1) 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 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; and

E. The Project involves a "Type I" action and the City of Ithaca Planning Board (the "Planning Board"), acting as lead agency and having undertaken a coordinated review, issued a negative declaration with respect to the Project on or about October 22, 2020 (the "Negative Declaration"); the Agency acknowledges the "hard look" taken by the Planning Board with respect to the Project and hereby ratifies the Negative Declaration issued by the Planning Board. The Agency further determines that all of provisions of SEQRA 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 have been satisfied.

Section 2. The Public Hearing held by the Agency on December 8, 2020, concerning the Project and the Financial Assistance, was duly held in accordance with the Act, including, but not limited to, the giving of at least ten (10) days published notice of the Public Hearing, affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 3. The Agency is hereby authorized to provide to the Company the Financial Assistance in the form of (a) an exemption from sales and use tax for the purchase or rentals of goods and services in connection with the Project, (b) a partial real property tax abatement structured though the Tax Agreement, and (c) an exemption from mortgage recording taxes imposed on the financing related to the Project by the State (but not as to those taxes imposed on the financing related to the Project by Tompkins County, New York).

Section 4. 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 **\$17,765,027**, which result in New York State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed **\$1,421,202**. 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 5. 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 6. 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 **December 31, 2022** (unless extended for good cause by the Administrative Director or other authorized representative of the Agency).

Section 7. The Chair, Vice Chair and/or Administrative Director of the Agency is hereby authorized, on behalf of the Agency, to negotiate and enter into (A) the Project Agreement, (B) the Lease Agreement, pursuant to which the Company leases the Project to the Agency, (C) the related Leaseback Agreement, pursuant to which the Agency leases its interest in the Project back to the Company, and (D) the Tax Agreement, *provided, that* (i) the rental payments under the Leaseback Agreement include payments 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 Tax Agreement are consistent with the Agency's Policy or the procedures for deviation have been complied with.

Section 8. The terms of the Tax Agreement are proposed to contain a deviation from the Agency's Policy. Specifically, the Agency is contemplating a deviation from the Policy as follows: (1) permitting the Company to make the payment of \$645,000 due to the Tompkins County Community Housing Development Fund in equal installments over the first three years after project completion. Upon due consideration of the Company's Application, and the Project, which will positively impact the health, community, environment and economy of the residents of Tompkins County, New York, by providing housing and other related amenities, the Agency desires to execute and deliver the Tax Agreement and provide for a potential deviation from its Policy.

Section 9. The Chair, Vice Chair and/or Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver 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/financial institution identified by the Company (the "Lender") up to a maximum principal amount of **\$25,517,810** to acquire, construct and/or and equip the Facility and/or finance or re-finance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and Tax 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 Chair, Vice Chair and/or Administrative Director of the Agency shall approve, the execution thereof by the Chair, Vice Chair and/or Administrative Director 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 Project.

Section 10. 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 office, 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 11. All actions heretofore undertaken by the Agency with respect to the foregoing are hereby ratified and approved.

Section 12. These Resolutions shall take effect immediately.

The question of adoption of the foregoing Resolutions was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Rich John	[X]	[ ]	[ ]	[ ]
Martha Robertson	[X]	[ ]	[ ]	[ ]
Jennifer Tavares	[X]	[ ]	[ ]	[ ]
Mike Sigler	[ ]	[X]	[ ]	[ ]
Anne Koreman	[ ]	[X]	[ ]	[ ]
John Guttridge	[X]	[ ]	[ ]	[ ]
Laura Lewis	[X]	[ ]	[ ]	[ ]

**SECRETARY'S CERTIFICATION**  
*(Arnot Ithaca 2, LLC Project)*

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

I, the undersigned Secretary of the Tompkins County Industrial Development Agency, DO HEREBY CERTIFY:

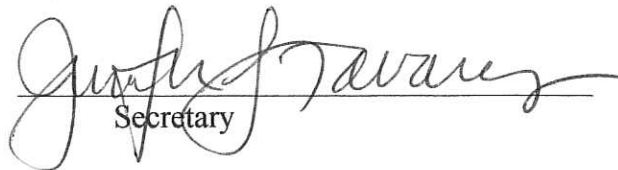
That I have compared the annexed extract of the minutes of the meeting of the Tompkins County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on December 9, 2020, with the original thereof on file in the Agency's office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution 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 all members of the Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), 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.

I FURTHER CERTIFY, that there was a quorum of the Directors 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 16<sup>th</sup> day of December, 2020.

  
Secretary

[SEAL]