



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, March 22, 2017
First Floor Meeting Room
Chamber of Commerce, 2 State Street, Auburn, NY 13021

- Board Present:** William Andre (Vice-Chair & Member of Labor)
Ronald LaVarnway (Member at Large)
Terry Cuddy (Council Member)
Tricia Kerr (Member at Large)
Roger Beer (Member at Large)
- Board Excused:** James Dacey (Chair & Member of Business)
Michael Quill (Council Member)
Monika Salvage (Secretary & School Board Member)
- Staff & Guests:** Tracy Verrier, Executive Director
Joseph Sheppard, Assistant Treasurer
Bruce Sherman, CEDA
Grant Kyle, Nolan Block, LLC
Rob Poyer, Hancock Estabrook
Elaine Buffington, Buffington & Hoatland

Mr. Andre, Vice-Chair, called the meeting to order at 5:07pm noting a quorum was present.

NEW BUSINESS

Mr. Andre moved the meeting into the new business section of the meeting, noting the change in order compared to the agenda. Ms. Verrier introduced Ms. Elaine Buffington from Buffington & Hoatland to present the 2016 Financial Audit.

Ms. Buffington presented an overview of the 2016 Financial Audit to the Board noting that everything went well, the staff was cooperative and that there was no fraud discovered. Ms. Buffington expressed concern over the future cash flow and that the quickness with which the cash balance was being utilized needed to be closely monitored. She noted the difference in cash balance between Fiscal Year 2015 and 2016 was because there was less in undisbursed PILOT payments – approximately \$340,000 – and more operation expenses – approximately \$60,000. Ms. Kerr asked if the increase in operational expenses was due to the Bergmann environmental studies. Ms. Buffington responded that they were along with an increase in legal fees. She stated that the Board would need to keep a close eye on cash on hand and to save for future unexpected expenditures. Ms. Buffington continued by noting that additional value was added to the land due to the studies, which were placed into the organizations inventory of fixed assets. She then stated that old equipment and furniture no longer in AIDA's possession was removed from the organization's assets. Ms. Buffington then stated that income was up from the previous year, but that expenditures for professional services had also increased, mainly due to legal fees. She then directed the attention of the Board to the unrestricted funds that were available and noted the decrease. Mr. Beer then stated that as the balance of

James A. Dacey
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unrestricted funds was to reduce it would limit the level of new investment that AIDA would be able to take part in. Ms. Verrier noted that two projects had not yet closed that were approved and administrative fees had not been collected. She also explained that they have not yet taken advantage of the loan from the City to offset the cost of the environmental studies. Ms. Buffington stated that during the course of the audit two findings were discovered that needed to be reported, noting that there were no compliance issues. The first finding she noted was that there was an overpayment of a PILOT disbursement made to the County, noting that upon discovery, this was immediately rectified and the County has since reimbursed the funds. She continued, stating that the second finding involved the Bluefield Manor bond and that the incorrect bond balance was provided to staff and then reported to the auditors. She recommended that staff collect a year end statement from Bluefield Manor moving forward rather than asking for a verbal confirmation.

A motion to approve the 2016 Financial Audit was made by Mr. Beer, seconded by Mr. LaVarnway. All members present voted in favor. The motion carried.

Ms. Kerr asked how the overpayment occurred. Ms. Verrier explained that the County portion of the McQuay PILOT was renegotiated due to the facility transfer and was less than what was originally invoiced, however the Mr. Sheppard had used the original amount for the disbursement. She stated that she will work with Mr. Sheppard to add additional internal controls for future disbursements, especially in instances where there is a change made to an agreement or an adjustment made to an invoice. Mr. Beer asked if Quickbooks was utilized to write checks. Ms. Verrier stated that it was not. The Board thanked Ms. Buffington for her time and she exited the meeting at 5:20pm.

MEETING MINUTES

Motion to approve the minutes of the February 15th Regular Meeting, the February 28th Public Hearings and the February 28th Special Meeting was made by Mr. Cuddy; seconded by Mr. Beer. All members present voted in favor; motion passed.

BILLS AND COMMUNICATION

Mr. Sheppard reviewed the bills, which included invoices from Hancock Estabrook (\$7902.18), Buffington & Hoatland for the 2016 Financial Audit (\$1,600), Bergmann Associates for studies being conducted at the Technology Park (\$3,560), James Dacey to reimburse for postage expenses (\$23.75), and the Citizen for Public Hearing notices (\$75.73) totaling \$13,161.66. Mr. Beer asked about the reimbursement to Mr. Dacey. Ms. Verrier confirmed that it was for documents pertaining to the public hearing that needed his signature returned immediately. Mr. Beer asked about the Bergmann studies and if they were planning to spend the entire \$54,000. Ms. Verrier confirmed that they are planning to perform the whole scope of work and thus will likely spend the entire amount. Ms. Kerr asked how much had been spent to date in legal fees and what the period of the Hancock Estabrook bill was. Mr. Sheppard confirmed that the time-period was for January and that he would need to look back at the materials from the previous meeting to get the full amount expended to date. Motion to pay all bills by Ms. Kerr, seconded by Mr. Beer. All voted in favor.

REPORT OF THE TREASURER

Mr. Beer discussed the deficiencies in revenues and available cash and noted his concern that the Board needed to be more diligent. He continued by expressing concern over the lack of cash flow, and noted that the board does not have much control over revenues, but are at the mercy of groups who come before them seeking assistance. Ms. Verrier stated that the 2017 budget does not show the loan from the City that has been made available to assist in deferring the costs of the Environmental Studies, but noted that it would help with the cash position. She continued by noting that the way to fix the lack of cash flow is through the generation of projects and project fees. Mr. Beer asked if \$20,000 was an accurate estimate of the income generated from project fees so far this year. Ms. Verrier stated that she has not calculated them as of yet, but believed so. Mr. Poyer stated that he calculated the fees to be closer to \$30,000.

Mr. Beer asked why there was \$50,000 budgeted for professional services. Ms. Verrier stated that it was mainly for the Bergmann Studies and Financial Audit. Mr. Beer reiterated the need to notice the projected deficit and the amount of cash on hand.

Mr. Cuddy asked if active marketing of the benefits that AIDA provided was occurring. Ms. Verrier stated that CEDA includes AIDA benefits and land in its marketing activities, including inclusion in this year's Area Development Site Directory. She will also be bringing discussions of StartUP NY back to the Board Agenda as another marketing tool.

Mr. Beer asked about the Bluefield Bond, inquiring about what it entailed, and why it was on the AIDA books. Ms. Verrier stated that Bluefield pays the bond, not AIDA; that it was on AIDA's books due to an accounting practice that existed when the bond was put in place and is conduit debt. Mr. Poyer confirmed, noting that AIDA is on the deed for the land.

Mr. Beer asked about the Loan Payable line in the balance sheet. Ms. Verrier stated that it is a loan from the City, which will be paid once the land is sold. She continued by stating that they will need to begin to consider what to sell the land for considering that \$24,000 had been put into the two parcels. She stated that she believed the board had previously considered \$13,000 per acre, but with the latest investments they should consider increasing the asking price to \$15-20,000. Ms. Kerr noted that the parcels were appraised five or so years ago. Mr. Cuddy asked about the shelf life of the environmental studies. Ms. Verrier stated that unless there was a significant occurrence, the only study that would expire is the wetland delineation, which is only good for five years. Mr. Cuddy asked if the reports can be updated separately or if they had to all be done at the same time. Ms. Verrier explained that they could be done separately. Mr. Cuddy expressed his desire to begin marketing the land. Ms. Kerr noted that the purpose of the studies was to make the land more attractive to developers and that she believed it was time to begin exploring the next stages of development. Ms. Verrier stated that CEDA would continue to push the land, noting that the parcels are large and that the wetlands are not too prohibitive.

Mr. LaVarnway moved to accept the Report of the Treasurer, seconded by Ms. Kerr. All members present voted in favor. The motion carried.

UNFINISHED BUSINESS

Ms. Verrier introduced Mr. Grant Kyle (Nolan Block, LLC) and asked if they had any questions for him regarding the application and his project, noting that nothing has changed with the application. Ms. Verrier then provided a Cost Benefit Analysis to the Board, stating that there will be sales tax and jobs generated by the retail storefronts, but that those are not included in the cost benefit analysis as it is too early to predict. She stated that the benefits of the projects are mainly qualitative as the location as it is currently creates disconnect between Downtown and East Hill, and that bringing life back to it would be important to the area. Ms. Verrier explained that property tax abatements would come from an expected 485a, which was taken into account in the cost benefit analysis so as to show a more realistic view of the benefits. Mr. Beer asked when the tax abatement would occur. Ms. Verrier confirmed that the 485a is applied for between the completion of construction and the following taxable status date. Mr. Beer then asked about the availability of parking. Mr. Kyle explained that when they purchased the group of buildings they purchased the bank as well to allow them to provide 33 designated parking spaces. He then explained that they have completed an engineering study to aid in asbestos abatement and found that they needed to redesign the layout of the residential units slightly, resulting in the loss of 1 apartment bringing the total amount of units from 14 to 13. He also noted that various businesses have expressed a great deal of interest to locate downtown. Mr. Andre asked if any of the interested parties have been strictly retail locations. Mr. Kyle reiterated that he has had a great deal of interest expressed to him from various parties, but he is not willing to discuss rental pricing with them as of yet as he does not want to disappoint them if rates need to change as the project moves forward. Mr. Andre asked if there was an anticipated opening date. Mr. Kyle responded that the goal is by the spring of 2018.

A Resolution was then presented to the Board, which read in part (Full Resolution Attached):

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY ISSUING NEGATIVE DECLARATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT RELATIVE TO THE RENOVATION AND REHABILITATION PROJECT

Ms. Kerr moved to approve the Resolution, seconded by Mr. LaVarnway. The resolution was put to the following roll call vote:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member			X	
Tricia Kerr, Member	X			
Ronald LaVarnway, Member	X			

The motion carried, and the Resolution was duly adopted.

A Resolution was then presented to the Board, which read in part: (Full Resolution attached):

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE NOLAN BLOCK LLC PROJECT.

Mr. LaVarnway moved to approve the Resolution, seconded by Mr. Cuddy. The Resolution was then put to the following roll call vote:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member			X	
Tricia Kerr, Member	X			
Ronald LaVarnway, Member	X			

The motion carried, and the Resolution was duly adopted.

Ms. Verrier provided an update on the Innovation Business Accelerator (IBA) and Maureen Riestler's activities. Mr. Sherman provided an update on his activities.

NEW BUSINESS (Cont.)

Ms. Verrier stated that a Draft of the 2016 PARIS documents had been uploaded to the Board section of the website for review and asked members to review and provide any comments to Mr. Sheppard or herself prior to March 29 when it would be submitted.

Ms. Verrier stated that a draft report of the State Auditors report had been received. She explained that the report mainly dealt with items that had been already addressed by the board while complying with changes to legislation in 2016, stating that she is currently drafting a response letter that which is due prior by April 17th. Ms. Verrier then provided an overview of the audit process explaining the differences between the global report and the individual IDA reports, noting that the global report should be released sometime over the summer.

ADJOURNMENT

Motion to adjourn made by Mr. Beer, seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned at 6:22pm.

Next regularly scheduled meeting Wednesday April 19, 2017 @ 5:00pm in the First Floor Conference Room of the Chamber Offices, 2 State St.

RESOLUTION
(Nolan Block LLC Project)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street, Auburn, New York 13021 on March 22, 2017 at 5:00 p.m.

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

Resolution No. _____

**RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT
AUTHORITY ISSUING NEGATIVE DECLARATION PURSUANT TO THE
STATE ENVIRONMENTAL QUALITY REVIEW ACT RELATIVE TO THE
RENOVATION AND REHABILITATION PROJECT**

WHEREAS, Nolan Block LLC Project (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 3 parcels of land located at 41-53 Genesee Street (Tax Map Nos. 115.45-2-51, 116.45-2-52, and 116.45-2-53) in the City of Auburn totaling approximately 0.21 acres (the "**Land**") improved by 1 building totaling approximately 20,000 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as residential apartments and commercial space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, pursuant to the State Environmental Quality Review Act (hereinafter "**SEQRA**"), the Company prepared Part 1 of a Short Environmental Assessment Form for the Project dated March 15, 2017 (hereinafter "**Part 1 EAF**"); and

WHEREAS, Part 1 of the SEAF, having been reviewed by the Authority, was deemed adequate and accurate relative to the Project; and

WHEREAS, the Project is an "Unlisted Action" pursuant to 6 NYCRR §617.2(ak) and, therefore, coordinated SEQRA review is optional; and

WHEREAS, the Authority now desires to make its "Determination of Significance" with respect to its consideration of providing financial assistance to the Project in accordance with 6 NYCRR §617.7 and to give notice of said determination in accordance with 6 NYCRR §617.12.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

1. Based upon a thorough examination and analysis of the SEAF, along with a review of the SEQRA regulations at 6 NYCRR §617.7 and based further on the Authority's knowledge of the area surrounding the Project and such further investigation of the Project and its environmental effects, the Authority makes the following findings and determinations with respect to the Project:

- a. The Project will not cause an impact to surface or ground water, and will not otherwise cause a substantial adverse change in existing air quality, ground or surface water quality, traffic or noise levels, or substantial increase in potential for erosion, flooding, leaching or drainage problems;
- b. The Project will not cause the removal or destruction of large quantities of vegetation or fauna, substantial interference with the movement of any resident or migratory fish or wildlife species, impacts on a significant habitat area, substantial adverse impacts on a threatened or endangered species of animal or plant, or the habitat of such a species, or other significant adverse impacts to natural resources;
- c. The Project will not cause the impairment of the environmental characteristics of a Critical Environmental Area as designated pursuant to 6NYCRR §617.14(g) of this Part;
- d. The Project will be undertaken in accordance with the downtown commercial zoning and will not cause the creation of a material conflict with a community's current plans or goals as officially approved or adopted;
- e. The Project will not cause the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character;
- f. The Project will not cause a major change in the use of either the quantity or type of energy;
- g. The Project will not cause the creation of a hazard to human health;
- h. The Project will not cause a substantial change in the use, or intensity of use, of land including agricultural, open space or recreational resources, or in its capacity to support existing uses;
- i. The Project will not cause the encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the Project;
- j. The Project will not cause the creation of a material demand for other actions that would result in one of the above consequences;
- k. The Project will not cause changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered together result in a substantial adverse impact on the environment; and
- l. The Project is not one of two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in 6 NYCRR §617.7.

2. Based upon the foregoing investigation of the potential environmental impacts of the Project and considering both the magnitude and importance of each environmental impact therein indicated, the Authority makes the following findings and determinations with respect to the Project:
 - a. the Project is an “Unlisted Action” pursuant to 6 NYCRR §617.2(ak) and, therefore, coordinated SEQRA review is optional; and
 - b. The Project will result in no significant environmental impacts and, therefore the Authority hereby determines that the Project will not have a significant effect on the environment, and the Authority will not require the preparation of an “Environmental Impact Statement” with respect to the Project; and
 - c. As a consequence of the foregoing, the Authority has decided to prepare a “Negative Declaration” with respect to the Project.
3. The Executive Director of the Authority is hereby directed to file a “Negative Declaration” with respect to the Project in the main office of the Authority.
4. This Resolution shall take effect immediately.

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

	<u>Yea</u>	<u>Nay</u>	<u>Absent Abstain</u>
James A. Dacey, Chairman			
William Andre, Member			
Monika Salvage, Member			
Ronald LaVarnway, Member			
Terry Cuddy, Member			
Michael Quill, Member			
Tricia Ottley, Member			
Roger Beer, Member			

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) ss.:

I, the undersigned Secretary of the Auburn Industrial Development Authority (the "**Authority**"), do hereby certify:

That I have compared the foregoing extract of minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on March 22, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (i) all members of the Authority had due notice of said meeting, (ii) said meeting was in all respect duly held, (iii) pursuant to Section 104 of the Public Officers Law ("**Open Meetings Law**"), said meeting was open to the general public, and public notice of the time and place of said meeting was given in accordance with said Open Meetings Law and (iv) there was a quorum of the members of the Authority 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Authority this _____ day of March, 2017.

Monika Salvage, Secretary

STATE ENVIRONMENTAL QUALITY REVIEW ACT

NEGATIVE DECLARATION

Notice of Determination of Non-Significance

Date: March 22, 2017

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law.

The Auburn Industrial Development Authority ("Authority"), has determined that the proposed project described below will not have a significant effect on the environment and a Draft Environmental Impact Statement will not be prepared.

Name of Project: Auburn Distribution Center Project

SEQR Status: Type I
Unlisted

Conditioned Negative Declaration: Yes
 No

Description of Action: A project (the "Project") consisting of: (i) the acquisition of 3 parcels of land located at 41-53 Genesee Street (Tax Map Nos. 115.45-2-51, 116.45-2-52, and 116.45-2-53) in the City of Auburn totaling approximately 0.21 acres (the "Land") improved by 1 building totaling approximately 20,000 square feet (the "Building"); (ii) the renovation of the Building by the Company for use as residential apartments and commercial space (the "Improvements"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment" and, together with the Land, the Building and the Improvements, the "Project Facility").

Location: Auburn, New York

Reasons Supporting This Determination: (Please see Exhibit "A")

For Further Information:

Contact Person: James Dacey, Chairman

Address: Auburn Industrial Development Authority
2 State Street
Auburn, NY 13021

Telephone Number: (315) 252-3500

For Unlisted Actions, a Copy of the Negative Declaration Only Must Be Sent to the Lead Agency.

Exhibit A

Reason Supporting This Determination and Segmentation of This Action

- a. The Project will not cause an impact to surface or ground water, and will not otherwise cause a substantial adverse change in existing air quality, ground or surface water quality, traffic or noise levels, or substantial increase in potential for erosion, flooding, leaching or drainage problems;
- b. The Project will not cause the removal or destruction of large quantities of vegetation or fauna, substantial interference with the movement of any resident or migratory fish or wildlife species, impacts on a significant habitat area, substantial adverse impacts on a threatened or endangered species of animal or plant, or the habitat of such a species, or other significant adverse impacts to natural resources;
- c. The Project will not cause the impairment of the environmental characteristics of a Critical Environmental Area as designated pursuant to 6NYCRR §617.14(g) of this Part;
- d. The Project will be undertaken in accordance with the downtown commercial zoning and will not cause the creation of a material conflict with a community's current plans or goals as officially approved or adopted;
- e. The Project will not cause the impairment of the character or quality of important historical, archeological, architectural, or aesthetic resources or of existing community or neighborhood character;
- f. The Project will not cause a major change in the use of either the quantity or type of energy;
- g. The Project will not cause the creation of a hazard to human health;
- h. The Project will not cause a substantial change in the use, or intensity of use, of land including agricultural, open space or recreational resources, or in its capacity to support existing uses;
- i. The Project will not cause the encouraging or attracting of a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the Project;
- j. The Project will not cause the creation of a material demand for other actions that would result in one of the above consequences;
- k. The Project will not cause changes in two or more elements of the environment, no one of which has a significant impact on the environment, but when considered together result in a substantial adverse impact on the environment; and
- l. The Project is not one of two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in 6 NYCRR §617.7.

RESOLUTION
(Nolan Block LLC Project)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street, Auburn, New York 13021 on March 22, 2017 at 5:00 p.m.

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

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE NOLAN BLOCK LLC PROJECT.

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, the Authority has undertaken a certain project for the benefit of the Company (the "**Project**") consisting of: (i) the acquisition of 3 parcels of land located at 41-53 Genesee Street (Tax Map Nos. 115.45-2-51, 116.45-2-52, and 116.45-2-53) in the City of Auburn totaling approximately 0.21 acres (the "**Land**") improved by 1 building totaling approximately 20,000 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as residential apartments and commercial space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, the Authority desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn, New York by undertaking the Project in the City of Auburn, New York; and

WHEREAS, pursuant to Section 2307 of the Act, the Authority has held a public hearing with respect to the Project; and

WHEREAS, the Authority will appoint the Company as its true and lawful agent to undertake and complete the Project pursuant to the terms of an Agent Agreement to be dated as of March 1, 2017 (the "**Agent Agreement**") by and between the Authority and the Company; and

WHEREAS, the Authority will acquire a leasehold interest in the Project Facility pursuant to the terms of a Lease Agreement to be dated as of March 1, 2017 (the "**Lease Agreement**") by and between the Authority and the Company; and

WHEREAS, the Company has requested the Authority to enter into a Leaseback Agreement to be dated as of March 1, 2017 (the "**Leaseback Agreement**") whereby the Company will lease the Project Facility from the Authority on the terms and conditions set forth therein; and

WHEREAS, in connection with the undertaking of the project, the Authority will join with the Company in a mortgage and other security documents (collectively, the "**Mortgage**") in favor of a lender or lenders reasonably satisfactory to the Company; and

WHEREAS, the execution of the Agent Agreement, Lease Agreement, the Leaseback Agreement, and the Mortgage will help to improve the Project and enhance opportunities for the citizens of the City of Auburn.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

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

(A) By virtue of the Act, the Authority 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) The Authority has the authority to take the actions contemplated herein under the Act;

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(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 Facility 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 Facility located within the State; and the Authority 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 Facility 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 Facility occupants in their respective industries; and

(E) The Project is likely to attract a significant number of visitors from outside the city of Auburn.

Section 2. The Authority hereby approves financial assistance for the Project including (A) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the

Project Facility to secure financings undertaken in furtherance of the Project; and (B) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction, renovation and equipping of the Project Facility.

Section 3. The Authority hereby appoints the Company as its true and lawful agent to (A) acquire, construct and equip the Project; (B) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings, instructions, as the agent for the Authority, with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors, and to such other parties as the Company reasonable designates; and (C) to do all other things that may be requisite and proper for completing the Project, with the same powers and validity vested in the Authority; provided, however, that the agency shall expire on March 21, 2019, unless extended by the Authority.

Section 4. The Authority may, pursuant to Section 2326-a of the Act, recover or recapture from the Company, its agents, subagents, contractors, subcontractors, or any other party authorized to make purchases for the benefit of the Project (each a "**Company Party**" and, collectively, the "**Company Parties**"), any sales and use tax exemption benefits obtained or purported to be obtained by the Company Parties if it is determined that: (A) any Company Party is not entitled to sales and use tax exemption benefits; (B) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by any Company Party; (C) the sales and use tax exemption benefits are for property or services not authorized by the Authority as part of the Project; (D) the Company has made a material false statement in its application for financial assistance; (E) the sales and use tax exemption benefits are taken in cases where a Company Party fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Project; and/or (F) the Company obtains mortgage recording tax abatement benefits or real property tax abatements and fails to comply with a material term or condition to use property or services in a manner approved by the Authority in connection with the Project (each a "**Recapture Event**").

As a condition precedent to receiving the financial assistance set forth in Section 2, above, the Company must, upon the Authority's determination that a Recapture Event has occurred, (A) cooperate with the Authority in its efforts to recapture any sales and use tax benefits and mortgage recording tax abatement benefits; and (B) pay over to the Authority, on demand, any amounts required to be recaptured.

Section 5. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Agent Agreement, Lease Agreement, Memorandum of Lease Agreement, Leaseback Agreement, Memorandum of Leaseback Agreement, Mortgage, mortgage recording affidavit, and related documents (collectively, the "**Authority Documents**") in such form as shall be reasonably approved by the Chairman and/or Vice Chairman upon execution, with the advice of counsel.

Section 6. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Authority Documents and any such other documents and agreements as may be necessary to carry out the intent of these resolutions; and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman and/or Vice Chairman of the Authority shall approve, the execution thereof by the Chairman and/or Vice Chairman of the Authority

to constitute conclusive evidence of such approval; provided in all events recourse against the Authority is limited to the Authority's interest in the Project.

Section 7. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 8. These Resolutions shall take effect immediately.

Upon motion duly made and seconded, the question of the adoption of the foregoing Resolution was duly put to a vote, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman				
William Andre, Member				
Monika Salvage, Member				
Ronald LaVarnway, Member				
Terry Cuddy, Member				
Michael Quill, Member				
Tricia Ottley, Member				
Roger Beer, Member				

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on March 22, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority 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 said Authority 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 members of the Authority 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 Authority this ____ day of March, 2017.

Monika Salvage, Secretary

[SEAL]