

UNIFORM TAX EXEMPTION POLICY

Pursuant to the authority vested in it by Article 8, Title 15 of the Public Authorities Law of the State of New York, the Auburn Industrial Development Authority (the "**Authority**") may provide financial assistance to qualified applicants for qualified projects benefiting the City of Auburn (the "**City**"), in the form of issuance of its Tax-Exempt Bonds, Taxable Bonds or by participation in straight lease transactions. The Authority has adopted this Uniform Tax Exemption Policy to provide guidelines for granting real property, sales and use, and mortgage recording tax exemptions (the "**Policy**").

A. Real Property Tax

The uniform exemption from real property taxes is dependent upon the project type. Project types and relevant schedules are provided below. For all Real Property Tax Abatement schedules:

- The base assessed value of the property will be frozen at the time of closing and the project will continue to pay full taxes on that value.
- The final year of the PILOT schedule will abate no more than 15% of the added value from improvements. Thereafter, the property returns to the taxable rolls and pays full taxes on total assessment.
- Up to 3 interim construction years will be allowable prior to the start of the abatement schedule, with the exact construction timeline to be determined at the time of inducement. After determined construction timeline, the abatement schedule will begin regardless of construction progress.

1. Payment in Lieu of Taxes Agreement:

The Applicant must sign an agreement to make payments in lieu of taxes ("**PILOT Agreement**"). All payments in lieu of taxes shall be distributed pro-rata with the affected taxing jurisdictions.

2. Real property Appraisal:

The value of a project for payment in lieu of taxes purposes is based on a valuation performed by the assessor of the City; therefore a real property appraisal is generally not required. However, the Authority may require the submission of a real property appraisal if:

- the assessor of any particular affected taxing jurisdiction requires one; or
- if the valuation of the project for payment in lieu of taxes purposes is based on a value determined by the Applicant or by someone acting on behalf of the Applicant, rather than by an assessor for a taxing jurisdiction or by the Authority.

If the Authority requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser, acceptable to the Authority.

3. Project Types

a) Business Projects

Business projects include industrial, logistics, qualified retail, and other non-housing commercial uses.

A mixed-use project with both business and housing components are eligible for PILOT assistance in accordance with section 3b. Housing if, and only if, the project meets the minimum requirements for that section. Otherwise, the project may apply under this section for Business Projects.

Enhanced Business Projects: Projects involving the following activities will be eligible for the Enhanced Business PILOT Schedule below:

- Adaptive reuse of a vacant or underutilized building
- Historic rehabilitation/restoration
- Brownfield remediation and redevelopment

Business PILOT Schedules		
Year	Abatement of Added Value	
	Standard	Enhanced
Interim	Construction Term up to 3 Years	
1	100%	100%
2	90%	95%
3	80%	95%
4	70%	90%
5	60%	85%
6	50%	80%
7	40%	70%
8	30%	60%
9	20%	50%
10	10%	40%
11		30%
12		20%
13		10%

b) Housing Projects

The Authority will only incentivize commercial housing, including mixed-use projects with a housing component, until such time if/when State law allows for broader participation in housing by Industrial Development Agencies. Other restrictions and thresholds related to housing projects considered by the Authority include:

- Financial assistance will not be provided for owner occupied properties.
- A project must result in a minimum of 10 residential units, which may be located across multiple properties covered by the project (i.e. scattered site development is eligible).
- In alignment with the City of Auburn Land Sale Policy, the Authority will not provide financial assistance to projects that are/will be owned by any individual or entity which:
 - Is delinquent or has been delinquent on the payment of real property taxes in the City of Auburn within the past three years;

- Has owned real property that the City has foreclosed upon for delinquent taxes in the past five years;
- Owns real property that has been found to have serious housing, safety, and/or building code violations in the past five years; and/or
- Owns real property in the city and has been found to be negligent in the maintenance and/or repair of said property within the past five years.
- Affordable housing projects with state or federal regulatory agreements regarding income thresholds:
 - Must pursue other forms of real property tax abatement through the City of Auburn and 581a prior to the Authority considering abatements of real property taxes. The Authority will consider PILOTs for these projects should other mechanisms for abatement not be available to the project and/or given compelling circumstances, such as a project with a scope that is not fully covered by 581a.
 - The Authority will consider the provision of financial assistance in the form of sales and use tax exemptions and mortgage recording tax exemptions for these projects, regardless of the existence of or mechanism for real property tax abatements.

Enhanced Housing Projects: Projects including the activities outlined in the Authority’s Supplemental Housing Policy will be eligible for the Enhanced Housing PILOT Schedule below.

Housing PILOT Schedules		
Year	Abatement of Added Value	
	Standard	Enhanced
Interim	Construction Term up to 3 Years	
1	100%	100%
2	95%	95%
3	90%	95%
4	85%	90%
5	80%	90%
6	75%	85%
7	70%	80%
8	65%	75%
9	60%	70%
10	55%	65%
11	50%	60%
12	40%	55%
13	30%	50%
14	20%	45%
15	10%	40%
16		35%
17		30%
18		25%
19		20%
20		10%

See the Authority's Supplemental Housing Policy for additional details regarding the Authority's goals, requirements, and considerations for housing projects.

c) Renewable Energy Projects:

The Authority may provide real property tax abatements to renewable energy facilities constructed within the City of Auburn, including wind, hydro-electric, photo-voltaic and biomass energy production facilities (collectively, "Renewable Energy Facilities"). In recognition of the significant amount of capital investment associated with Renewable Energy Facilities, the Authority has developed a standard formulary to be incorporated into PILOT Agreements for Renewable Energy Facilities, as follows:

- a standard PILOT term of fifteen (15) years with a minimum annual base PILOT Payment reflecting the current land assessment of the improved parcel ("Base Value"), plus a fixed dollar amount per megawatt (MW) 'face plate' charge (the "Base Payment"), such Base Payment to escalate annually at no less than two percent (2.0%) per annum, compounded; and
- an energy price incentive payment to be determined upon the area within which the proposed Renewable Energy Facility project is to be located (the "Incentive Payment"), such Incentive Payment to be negotiated on a project-by-project basis depending upon whether the project operator intends to sell energy to the open market or through one or more power purchase agreements ("PPA").

The Authority shall annually establish a minimum fixed dollar amount to establish the Base Payment, as defined above. The Base Payment for each project will be determined based upon criteria such as total MW generation, current land use and value, land ownership and lease structure, intended distribution structure (PPA, community distribution, etc.), and others as determined by the Board. Any participation by the Authority in sponsoring a Renewable Energy Facility project shall take into account whether a project sponsor is required to enter into one or more host municipality agreement(s). The Authority further requires that a public hearing be held within the municipality(ies) where the project is proposed.

B. Sales and Use Tax

Project types listed in section A3 are eligible to apply for exemption from sales and use tax related to construction, renovation or equipping of a project, to the fullest extent permitted by New York State law, during the period of construction, renovations or equipping, or until the earlier of:

- the completion date of project; or
- three (3) years measured from commencement of construction, renovation or equipping of the project.

The Applicant must comply with the reporting requirements established by Sections 2326 and 2326-a of the New York Public Authorities Law and Section 875 of the New York General Municipal Law.

C. Mortgage Recording Tax

Project types listed in section A3 are eligible to apply for exemption from the mortgage recording tax, to the fullest extent permitted by New York State law, in which the mortgage on the project is granted as security for the Authority's obligations or a mortgage to secure conventional financing in a straight lease transaction.

D. Application of this Policy; Deviation

1. General

In considering whether to grant abatements pursuant to this policy, the Authority will consider:

- The nature of the project (*e.g.*, manufacturing, commercial, civic).
- The nature of the property before the project begins (*e.g.*, vacant land, vacant buildings)
- The economic condition of the area at the time of the application.
- The extent to which a project will create or retain permanent, private sector jobs.
- The estimated value of tax exemptions to be provided.
- The impact of the project and the proposed tax exemptions on the affected tax jurisdictions.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- The amount of private sector investment generated or likely to be generated by the proposed project.
- The likelihood of accomplishing the proposed project in a timely fashion.
- The effect of the project upon the environment.
- The extent to which the proposed project will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services.
- The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- The extent to which the proposed project will provide a benefit (economic, or otherwise) not otherwise available within the City.
- Demonstrated public support for the proposed project.
- The extent to which the project will utilize, to the fullest extent practical and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures
- The extent to which the project will provide onsite child care or otherwise facilitate new child care services

Deviation from the Policy will be considered on a case-by-case basis where a project is expected to have a significant impact on the City. Any deviation from the Policy requires written notification from the Authority to each of the affected taxing jurisdictions. The Authority will first and foremost consider the project's need for the additional abatement beyond the prescribed PILOT schedules, specifically whether or not the project could reasonably move forward without added abatements and the impact of the added abatements on the applicants' and/or developers' return on investment. The Authority may



also consider any or all of the above factors in making such determination, no single one of which shall be determinative.

To be considered for a deviation from the prescribed PILOT schedules, the applicant must provide, at their own cost, a test of reasonableness and/or economic and fiscal impact study conducted by a qualified firm. The Authority will determine which study(ies) is(are) needed for the purpose of the deviation. The resulting study(ies) must verify any applicant claims regarding the need for additional assistance and/or excess value to the community. A list of qualified firms can be obtained from the Authority, and only firms on that list may be contracted to perform this work.

If after consideration of the above-stated factors the Authority determines that a deviation from the Policy is warranted, it shall adopt a resolution stating:

- 1) that with respect to the specified project, the Authority determines that a deviation from the Policy is warranted; and
- 2) the reasons for which the Authority determines the deviation is warranted.

Upon passage of such resolution the affected local taxing jurisdictions shall be notified of the proposed deviation and the reasons therefor.

E. Recapture

The PILOT Agreement shall set forth grounds upon which the value of tax exemptions must be repaid to the Authority. Events that may trigger a recapture include, but are not limited to the following:

- liquidation of operations (absent showing of extreme hardship);
- relocation of Applicant’s operations from the project site to another site;
- transfer of a substantial number of jobs out of the City;
- sublease of the project site in violation of the project agreements;
- serious code violations; or
- sale or disposition of the project property.

The Authority’s Policy for the amount to be repaid is set as a percentage of benefits received, depending on the years after closing in which the event occurs as follows:

<u>Years:</u>	<u>% of Benefits Recaptured</u>
1 - 6	100%
7	80%
8	60%
9	40%
10-15	20%
16+	10%

The Authority may deviate from the Policy’s recapture based upon the factors described above.



If the Applicant fails to meet and/or continuously maintain the goals established through the term of the PILOT Agreement, the Authority may terminate the PILOT Agreement or impose penalties and/or sanctions, at its discretion, not to exceed those set forth in the PILOT Agreement. Any monetary penalties or sanctions shall be deemed independent obligations of the Applicant, which shall survive termination of the PILOT Agreement.

Amended and Adopted: February 18, 2026

Supplemental Housing Policy

Purpose:

This policy supplements the Uniform Tax Exemption Policy (“UTEF”) of the Auburn Industrial Development Authority (“Authority”). The purpose of this policy is to clearly state the Authority’s goals, considerations, and requirements with relation to housing related projects seeking or receiving financial assistance from the Authority.

Goal:

The Authority’s goal with relation to housing is to facilitate the development of a housing stock that is accessible and affordable to the City’s current and potential workforce and residents. To accomplish this, the Authority aims to act within its regulatory powers and abilities to:

- Support a sustainable mix of options across income levels.
- Advance the development of housing that contributes to stability, health, and prosperity for households.
- Make decisions that will lead to well-maintained and operated housing facilities.
- Support sustainable construction and responsible land use.
- Relieve urban blight.

Project Approval Considerations:

- Developer and operator experience with projects of a similar nature, including managing incentives, securing financing, and operating rental units.
- Developer and operator industry reputation.
- Developer and operator involvement/experience in Auburn, Cayuga County, and Central NY.
- Community housing needs at the time of application.

Terms & Calculations

- Area Median Income (AMI): Median household income for the relevant Metropolitan Statistical Area (MSA), which for Auburn is the Syracuse MSA. AMI is provided at various household sizes.
- Household size: For the purpose of this policy, the number of bedrooms in a residential unit is used as a proxy for household size. It is assumed that an efficiency/studio unit is a 1-person household and otherwise there are 1.5 people per bedroom (i.e. 1-bedroom is a 1.5-person household, 2-bedrooms is a 3-person household, 3-bedrooms is a 4.5-person household, etc.).
- Rental rate affordability: Rents are affordable if they do not exceed 30% of the specified AMI based on household size.

- Calculation of rental rate affordability: The Novogradac Rent & Income Limit Calculator¹ will be used to determine rental rate affordability. The outputs of this tool are based on AMI data from the US Department of Housing and Urban Development (HUD). The output of this tool provides income levels and rent limits at the specified percentage(s) of AMI. Settings in this calculator will be:
 - Affordable Housing Program: Other Federal, State, or Local Program
 - Year: Current year
 - State: New York
 - County: Cayuga

Enhanced Housing PILOT Schedule Eligibility:

Below is a 26 point scoring system, which assigns points based on alignment with Authority priorities. The scoring system will be applied to each eligible Housing Project application to determine the level of PILOT abatement available to the project. The Enhanced Housing PILOT Schedule as outlined in the UTEP will be available to projects with a score of 5 or more. The Standard PILOT schedule will be available projects with a score of less than 5. Projects do not score any points are not eligible for a PILOT, but are still eligible for sales and use tax and mortgage recording tax abatements.

Criteria	Description	Possible Points
Mixed Income Housing	Rental rate affordability based on AMI and household size ranges across at least 30 AMI percentage points, and no rents exceed affordability at 150% AMI (e.g. rental rates range in affordability from 90% to 120% AMI)	5
Middle Income Housing	On average, all units are affordable to households that make no more than 100% AMI based on household size*, and no rents exceed affordability at 150% AMI	5
Energy Efficiency	Projects that incorporate energy efficiency or renewable energy generation technologies (beyond appliances) and thus limit demand on the grid (e.g. geothermal, solar, tankless water heaters, heat pumps, etc.)	4
Attainable Family Units	Projects with at least one unit with 3+ bedrooms that is rented at a rate that is affordable up to 90% AMI based on household size.	3
Adaptive Reuse	Redevelopment of a vacant or underutilized building or property	3
Historic Rehabilitation or Restoration	Project that would be eligible for state and/or federal historic tax credits, regardless of whether tax credits are utilized	2
Brownfield Redevelopment	Project that would be eligible for the NYSDEC Brownfield Cleanup Program, regardless of whether the program is utilized	2

¹ <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>

Job Creation	Projects that will create at least 5 direct and reportable FTE jobs (e.g. on-site property management staff, affiliated commercial office/operation, affiliated supportive staff, etc.). These jobs cannot be created by unaffiliated commercial tenants.	1
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*Each unit can be priced at any level up to the rental rate affordability at 150% AMI based on household size, but all units must average out to affordability at 100% AMI based on household size.

Monitoring for Rental Rate-Based Enhancements

If receiving an enhanced PILOT due to rental rate restrictions based on AMI, qualifying units (those contributing to the enhancement) must be verified annually. In addition to the standard annual reporting, these projects (specifically Mixed-Income, Middle-Income, and Attainable Family housing projects) must provide a rent roll annually that includes the following for each unit in the property (qualifying or otherwise):

- Unit identification number
- Number of bedrooms
- Rental rate as of December 31 for the reporting year
 - Copies of leases must be provided upon request of the Authority

Defaults for Rental Rate-Based Enhancements

Given changing market conditions, it is possible that a Mixed-Income, Middle-Income, or Attainable Family housing project may at some point during the duration of the PILOT fail to meet the rental rate affordability thresholds. Should this occur, the Authority Board will consider adjustment or termination of the PILOT agreement, as well as partial or full recapture of prior benefits. While the Board is empowered to consider each project on a case-by-case basis, the following are general guidelines:

- Default prior to year 5 of the PILOT: termination and full recapture of prior benefits.
- Default in or beyond year 5 of the PILOT: adjustment of the PILOT schedule to the Standard housing schedule and partial recapture of benefits received in the year(s) the project did not qualify.

Adopted: February 18, 2026