

November 5, 2021

**ELECTRONIC MAIL**  
**DELIVERY RECEIPT REQUESTED**

Richard Maxwell, Assessor  
City of Utica  
One Kennedy Plaza  
Utica, New York 13502

*Re: City of Utica Industrial Development Agency 2021 Real Estate Lease  
(1900 Bleecker, LLC Facility)*

Dear Mr. Maxwell:

Attached please find an Application for Real Property Tax Exemption (Form RP-412-a) submitted by City of Utica Industrial Development Agency in connection with the above-referenced transaction. Also attached is the PILOT Agreement dated as of November 4, 2021.

Please note all PILOT bills should be delivered to the Company.

Kindly return to me by email a copy of Form RP-412-a once processed by your office.

Should you have any questions on the enclosed, please do not hesitate to contact our offices.

Very truly yours,



Laura S. Ruberto  
Paralegal

Attachments

cc: Attached Distribution List (w/enclosures)

## Distribution List

### County:

Anthony J. Picente, Jr.  
Oneida County Executive  
800 Park Avenue  
Utica, New York 13501

Anthony R. Carvelli  
Commissioner of Finance  
Oneida County Finance Department  
800 Park Avenue  
Utica, New York 13501

Kathy Pilbeam, Director  
Real Property Tax Services  
Oneida County  
800 Park Avenue  
Utica, New York 13501

County of Oneida  
Receiver of Taxes  
800 Park Avenue  
Utica, New York 13501

### City:

Robert Palmieri, Mayor  
City of Utica  
One Kennedy Plaza  
Utica, New York 13502

Receiver of Taxes  
City of Utica  
Attn: Brian McClusky, Accountant  
One Kennedy Plaza  
Utica, New York 13502

William Morehouse, Comptroller  
City of Utica  
One Kennedy Plaza  
Utica, New York 13502

### School District:

Louis D. LaPolla, President  
Board of Education  
Utica City School District  
929 York Street  
Utica, New York 13502

Bruce J. Karam, Superintendent  
Utica City School District  
929 York Street  
Utica, New York 13502

Receiver of Taxes  
Utica City School District  
Attn.: Haylee Lallier, Treasurer  
929 York Street  
Utica, New York 13502



**NYS DEPARTMENT OF TAXATION & FINANCE  
OFFICE OF REAL PROPERTY TAX SERVICES**

RP-412-a (1/95)

**INDUSTRIAL DEVELOPMENT AGENCIES  
APPLICATION FOR REAL PROPERTY TAX EXEMPTION  
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)**

**1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)**

Name City of Utica Industrial Development Agency  
 Street One Kennedy Plaza  
 City Utica NY 13502  
 Telephone no. Day (315) 792-0195  
 Evening ( ) \_\_\_\_\_  
 Contact Jack Spaeth  
 Title Executive Director

**2. OCCUPANT (IF OTHER THAN IDA)**

(If more than one occupant attach separate listing)

Name 1900 Bleecker, LLC  
 Street 6308 Fly Road  
 City East Syracuse NY 13057  
 Telephone no. Day ( ) \_\_\_\_\_  
 Evening ( ) \_\_\_\_\_  
 Contact Bryan Bowers  
 Title Managing Member

**3. DESCRIPTION OF PARCEL**

a. Assessment roll description (tax map no./roll year) 319.72-3-10  
 b. Street address 1900 Bleecker Street  
 c. City, Town or Village Utica

d. School District Utica City School District  
 e. County Oneida  
 f. Current assessment \_\_\_\_\_  
 g. Deed to IDA (date recorded; liber and page)  
Memo of Lease 11/5/21 Inst#R2021-001611

**4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)**

a. Brief description (include property use) Partial demolition, construction and renovation of a 225,000± square foot building into an 84,000± square foot building on 4.2± acres for industrial purposes.  
 b. Type of construction \_\_\_\_\_  
 c. Square footage \_\_\_\_\_  
 d. Total cost SEE ATTACHED  
 e. Date construction commenced \_\_\_\_\_  
 f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)  
June 30, 2033

**5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION**

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment Company will pay no taxes during year 1 and 2, 25% of taxes in year 3, 30% of taxes in year 4, 40% of taxes in year 5, 50% of taxes in year 6 and 7, 60% of taxes in year 8, 70% of taxes in year 9, 80% of taxes in year 10, and 100% of taxes in year 11 and thereafter.  
See PILOT Agreement attached hereto.  
 b. Projected expiration date of agreement June 30, 2033 (last day of school tax exemption)

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name 1900 Bleecker, LLC  
 Title Bryan Bowers, Managing Member  
 Address 6308 Fly Road  
East Syracuse, NY 13057

e. Is the IDA the owner of the property?  Yes  No (check one)  
If "No" identify owner and explain IDA rights or interest in an attached statement. IDA owns leasehold interest.

Telephone \_\_\_\_\_

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one)  Yes  No

If yes, list the statutory exemption reference and assessment roll year on which granted:  
exemption \_\_\_\_\_ assessment roll year \_\_\_\_\_

7. A copy of this application, including all attachments, has been mailed or delivered on 11/5/21 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

**CERTIFICATION**

I, Vincent J. Gilroy, Jr., Chairman of City of Utica Industrial Development Agency hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

November 4, 2021  
Date

  
Signature

**FOR USE BY ASSESSOR**

- Date application filed \_\_\_\_\_
- Applicable taxable status date \_\_\_\_\_
- 3a. Agreement (or extract) date \_\_\_\_\_
- 3b. Projected exemption expiration (year) \_\_\_\_\_
4. Assessed valuation of parcel in first year of exemption \$ \_\_\_\_\_
5. Special assessments and special as valorem levies for which the parcel is liable:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Assessor's signature

**Exhibit A**

Application for Real Property Tax Exemption  
(Form RP-412-a)  
**City of Utica Industrial Development Agency**  
**(1900 Bleecker, LLC Facility)**

4(d). Total Cost of Facility:

Renovation costs	1,278,000.00
New Construction of Buildings	2,825,000.00
Architectural/Engineering	525,000.00
Interest on Interim Financing	172,000.00
<b>Total Project Cost</b>	<b>4,800,000.00</b>

1900 BLEECKER, LLC

and

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

---

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

---

City of Utica Industrial Development Agency  
2021 Real Estate Lease  
(1900 Bleecker, LLC Facility)

Oneida County, City of Utica, Utica City School District

Tax Map No.: 319.72-3-10

## PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of November 4, 2021, is by and between **1900 BLEECKER, LLC**, a limited liability company duly organized and validly existing under the laws of the State of New York, having an address of 6308 Fly Road, East Syracuse, New York 13057 (the "Company") and **CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at One Kennedy Plaza, Utica, New York 13502 (the "Agency").

### W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 710 of the Laws of 1981 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Company desires the Agency to assist in the partial demolition, construction and renovation of a 225,000± square foot building into an 84,000± square foot building (collectively, the "Improvements") situated on a 4.2± acre parcel of land located at 1900 Bleecker Street, City of Utica, Oneida County, New York, tax map number 319.72-3-10 (the "Land"); and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the adaptive reuse of the Improvements for lease to manufacturing, industrial or distribution tenant(s) and to enhance economic development and retain employment in Utica (the Land, Improvements and Equipment collectively, the "Facility" and the partial demolition, construction, renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Lease Agreement dated of even date herewith and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

WHEREAS, the Company will sublease the Facility (or portions thereof) to one or more manufacturing, industrial or distribution tenant or tenants, to be determined (the "Sublessee" or "Sublessees") for its operation; and

WHEREAS, the Agency has agreed to accept a leasehold interest in the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, Sachem Capital Corp. (the "Bank") financed a portion of the costs of the Facility by way of a construction loan to the Company in the principal sum of \$4,100,000

which was secured by a Construction Mortgage and Security Agreement dated May 14, 2021 (the "Construction Mortgage") from the Company to the Bank; and

WHEREAS, at the completion of construction, the Company intends to finance portion of the costs of the Facility with a permanent loan in the principal sum of \$4,800,000.00, to be secured by a Mortgage and Security Agreement (the "Mortgage") from the Agency and the Company to a lender to be identified by the Company; and

WHEREAS, the Facility is exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company commencing August 1, 2022, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, be required to remit payments in lieu of the Exempt Taxes under the provisions of the Leaseback Agreement from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Utica, or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, Utica City School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:
  - (a) all taxes that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and
  - (b) all special assessments and ad valorem taxes coming due and payable during the term of the Leaseback Agreement and the Leaseback Agreement for which



the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) The Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

Exemption Year 1	0% of Exempt Taxes
Exemption Year 2	0% of Exempt Taxes
Exemption Year 3	25% of Exempt Taxes
Exemption Year 4	30% of Exempt Taxes
Exemption Year 5	40% of Exempt Taxes
Exemption Year 6	50% of Exempt Taxes
Exemption Year 7	50% of Exempt Taxes
Exemption Year 8	60% of Exempt Taxes
Exemption Year 9	70% of Exempt Taxes
Exemption Year 10	80% of Exempt Taxes
Exemption Year 11 and thereafter	100% of Exempt Taxes

(b) Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Leaseback Agreement.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not have a leasehold or other interest in the Facility. PILOT Payments that are delinquent under this Agreement shall be subject to a late penalty of five percent (5%) of the amount due which shall be paid by the Company to the affected Taxing Authority at the time the PILOT Payment is paid. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the affected Taxing Authority on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made. Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, the Agency shall have the right to terminate the Leaseback Agreement and this PILOT Agreement, and the Company shall henceforth pay one hundred (100%) percent of the Exempt Taxes, together with all costs of collection, including but not limited to reasonable attorneys' fees. Nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

4. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Leaseback Agreement if the Agency did not have a leasehold or other interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company. The Agency agrees that if it or the Company contests any taxes, assessments or other charges, all sums returned, as a result thereof, will be paid promptly to the Company and that the Company shall be entitled to retain all such amounts. The Company hereby unconditionally and irrevocably waives its rights, if any, to apply for and/or receive the benefit of, any other real property tax exemption including, without limitation, any real property tax exemptions that may be available under Section 485-b and Section 485-e of the Real Property Tax Law for so long as the PILOT Agreement is in effect.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction,

such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested or (ii) when delivered by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency, the Company or the Bank, as the case may be, addressed as follows:

If to the Agency:

City of Utica Industrial Development Agency  
One Kennedy Plaza  
Utica, New York 13502  
Attn.: Executive Director

With a Copy to:

Bond, Schoeneck & King, PLLC  
501 Main Street  
Utica NY 13501  
Attn.: Linda E. Romano, Esq.

If to the Company:

1900 Bleecker, LLC  
6308 Fly Road  
East Syracuse, New York 13057  
Attn.: Bryan Bowers, Managing Member

With a Copy to:

Brown Duke & Fogel, P.C.  
120 Madison Street  
AXA Tower II, Suite 1620  
Syracuse, New York 13202  
Attn.: Michael Fogel, Esq.

If to the Bank:

Sachem Capital Corp.  
698 Main Street  
Branford, Connecticut 06405  
Attn.: Peter Giannotti, Esq., General Counsel

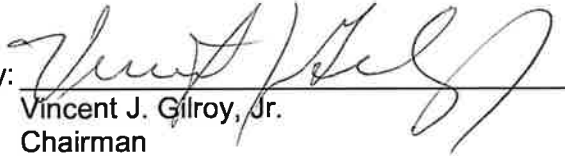
provided, that the Agency, the Company or the Bank may, by notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature page follows]

SIGNATURE PAGE OF AGENCY TO PILOT AGREEMENT  
(1900 BLEECKER, LLC FACILITY)

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

By:   
Vincent J. Gilroy, Jr.  
Chairman

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

On the 2nd day of November 2021 before me, the undersigned a notary public in and for said state, personally appeared **Vincent J. Gilroy, Jr.**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public




IN WITNESS WHEREOF, the parties have executed this **PILOT Agreement** as of the date first above written.

1900 BLEECKER, LLC

By:   
Bryan Bowers  
Managing Member

STATE OF NEW YORK )  
                          ONONDAGA ) : ss.:  
COUNTY OF ONEIDA )

On the 30<sup>th</sup> day of November 2021 before me, the undersigned a notary public in and for said state, personally appeared **Bryan Bowers**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

CAROL LEE BECK  
Notary Public - State of New York  
No. 01BE4833571  
Qualified in Onondaga County  
My Comm. Expires 10/19/2025

**SCHEDULE A**

COUNTY OF ONEIDA  
Receiver of Taxes  
800 Park Avenue  
Utica, New York 13501

CITY OF UTICA  
Receiver of Taxes  
City Hall  
One Kennedy Plaza  
Utica, New York 13502  
Attn.: City Treasurer

UTICA CITY SCHOOL DISTRICT  
Receiver of Taxes  
929 York Street  
Utica, New York 13502

**SCHEDULE B**

<b>Exemption Year</b>	<b>County Tax Year</b>	<b>City Tax Year</b>	<b>School Tax Year</b>	<b>PILOT Payment</b>
1	2023	2023-24	2023-24	0% of Exempt Taxes
2	2024	2024-25	2024-25	0% of Exempt Taxes
3	2025	2025-26	2025-26	25% of Exempt Taxes
4	2026	2026-27	2026-27	30% of Exempt Taxes
5	2027	2027-28	2027-28	40% of Exempt Taxes
6	2028	2028-29	2028-29	50% of Exempt Taxes
7	2029	2029-30	2029-30	50% of Exempt Taxes
8	2030	2030-31	2030-31	60% of Exempt Taxes
9	2031	2031-32	2031-32	70% of Exempt Taxes
10	2032	2032-33	2032-33	80% of Exempt Taxes