

Transcript Document No. []

**Final Authorizing Resolution
Impact Utica -- Chancellor Broad, LLC
Broad Street Apartments Facility**

Date: February 1, 2023

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at One Kennedy Plaza, Utica, New York at 9:00 a.m. on February 1, 2023, the following members of the Agency were:

Members Present:

Member Excused:

Also Present:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to authorizing acquisition of a leasehold interest in and financial assistance for a certain industrial development facility more particularly described below (Impact Utica -- Chancellor Broad, LLC/Broad Street Apartments Facility) and the leasing of the facility to Impact Utica -- Chancellor Broad, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, THE LEASEBACK AGREEMENT, THE PILOT AGREEMENT, THE ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE IMPACT UTICA -- CHANCELLOR BROAD, LLC (BROAD STREET APARTMENTS) FACILITY LOCATED AT 700 BROAD STREET IN THE CITY OF UTICA, ONEIDA COUNTY, AUTHORIZING FINANCIAL ASSISTANCE THAT IS A DEVIATION FROM POLICY, AND MAKING CERTAIN FINDINGS RELATING TO THE FACILITY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 710 of the Laws of 1981 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, Impact Utica - Chancellor Broad, LLC, on behalf of itself and/or the principals of Impact Utica - Chancellor Broad, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a lease-leaseback transaction in which the Agency will assist in (i) acquisition of a 1.7± acre parcel of land located at 700 Broad Street in the City of Utica, Oneida County, New York (the "Land") and the 86,514± square foot industrial building located thereon (the "Existing Improvements"); (ii) the substantial renovation of the Existing Improvements into 74 loft apartments and common areas, and construction of a connector building, community space and parking area (collectively, the "Improvements") (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing affordable housing for the elderly, youth in transition and any other recognized vulnerable populations (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"); and

WHEREAS, the Company has agreed to lease the Facility to the Agency pursuant to a Lease Agreement (the "Lease Agreement") between the Agency and the Company; and

WHEREAS, the Agency has agreed to lease the Facility back to the Company pursuant to a Leaseback Agreement between the Agency and the Company (the "Leaseback Agreement") for its operation; and

WHEREAS, the Company intends to further sublease individual residential units comprising the Facility to residential tenants (each a “Sublessee” and collectively the “Sublessees”); and

WHEREAS, the New York State Housing Finance Agency (“NYS HFA”) intends to finance a portion of the costs of the Facility by extending a loan to the Company in the estimated principal sum of \$13,900,000.00 to be secured by a Subsidy Mortgage (the “HFA Mortgage”) from the Company to NYS HFA; and

WHEREAS, the City of Utica commissioned a housing study (the “Utica Housing Study”) that identified a need for quality affordable housing; and

WHEREAS, the Agency contemplates granting financial assistance to the company in the form of exemptions from sales and use taxes on materials incorporated into the Facility, and abatement of real property tax for a period of thirty-three (33) years during which time the Company will pay as PILOT Payments (i) all taxes with respect to the Facility prior to completion of the Project, provided that such payments shall not exceed the taxes for the Facility for the 2022 – 2023 tax year and (ii) after completion of the Project, seven percent (7.00%) of the effective gross income of the Facility for a period of 30 years (the “Financial Assistance”), which Financial Assistance is a deviation from the Agency’s Uniform Tax Exemption Policy (the “Policy”); and

WHEREAS, based upon representations made by the Company in the Application, the value of the Financial Assistance contemplated by the Agency was described as follows:

Sales and use tax exemption	\$1,750,000.00
Mortgage recording tax exemption	\$0
Real property tax abatement	\$5,219,664.00 (approximately)

WHEREAS, the Agency, by resolution duly adopted on November 2, 2022 (the “Resolution”), decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held so that all persons with views in favor of or opposed to either the Financial Assistance contemplated by the Agency, or the location or nature of the Facility, could be heard; and

WHEREAS, on December 18, 2022 a notice of the public hearing was published in the *Observer-Dispatch* and on December 19, 2022 written notice of the public hearing was delivered to the chief executive officer of the affected taxing jurisdictions in which the Facility is located; and

WHEREAS, the Agency conducted a public hearing on December 28, 2022 and has reviewed the minutes of said public hearing; and

WHEREAS, on January 25, 2023 the Agency delivered by certified mail, return receipt requested, written notice of its intent to deviate from Policy to all affected tax jurisdictions providing the date, time and location of this meeting, setting forth its reasons for deviating and describing the proposed Financial Assistance; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transaction contemplated by the lease of the land and the transfer of a leasehold interest in the Facility.

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(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 Facility constitutes a “project”, as such term is defined in the Act; and

(c) The renovation, equipping and financing of the Facility, the leasing of the Facility to the Company, and the financing of the Facility through the NYS HFA will promote and maintain the employment opportunities, health, general prosperity and economic welfare of the citizens of the City of Utica and the State of New York, improve their standard of living and prevent economic deterioration, and thereby serve the public purposes of the Act; and

(d) The renovation, equipping and financing of the Facility is reasonably necessary to induce the Company to maintain and expand its business operation in the State of New York; and

(e) Based upon representations of the Company and the Company's Counsel, the Facility conforms with the local zoning laws and planning regulations of the City of Utica and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to acquire a leasehold interest in the Facility and lease the Facility to the Company; and

(g) The SEQRA findings adopted by the Agency on December 18, 2022, encompassed the actions to be undertaken by this resolution and no changes have been made since that time to the proposed action that would create new or increased adverse environmental impacts; and

(i) The Lease Agreement will be an effective instrument whereby the Company conveys to the Agency a leasehold interest in the Facility; and

(j) the Leaseback Agreement will be an effective instrument whereby the Agency leases the Facility back to the Company; and

(k) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") by and between the Agency and the Company will be an effective instrument whereby the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(l) The Payment-In-Lieu-of-Tax Agreement (the "PILOT Agreement") between the Agency and the Company will be an effective instrument whereby the Company agrees to make payments in lieu of taxes for the term of the Leaseback Agreement; and

(m) The Loan Documents will be effective instruments whereby the Agency and the Company grant the NYS HFA a security interest in their respective interests in the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility from the Company pursuant to the Lease Agreement; (ii) execute, deliver and perform the Lease Agreement; (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement, (iv) execute, deliver and perform the Leaseback Agreement, (v) execute, deliver and perform the Environmental Compliance and Indemnification Agreement, (vi) execute, deliver and perform the PILOT Agreement; (vii) grant the NYS HFA a security interest in the Facility, if so requested by NYS HFA; (viii) execute, deliver and perform the Loan Documents, if so requested by NYS HFA; and (ix) deviate from Policy and authorize the Financial Assistance.

Section 3. The Agency is hereby authorized to accept a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the

personal property described in Exhibit B to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents (each in substantially the forms customary to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents, each in substantially the forms customary to the Agency with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 6. 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 or provided for by the provisions of the Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Closing Documents binding upon the Agency.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Assistant Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the City of Utica Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on February 1, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Loan Documents contained in this transcript of proceedings are each in substantially the form approved by said meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 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 duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of February 1, 2023.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Jack Spaeth, Assistant Secretary