

Transcript Document No. 8

**Final Authorizing Resolution
Munson Machinery Company, Inc. Facility**

Date: March 10, 2013

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York on the 10th day of March 2014, the following members of the Agency were:

Present: Emmett Martin, Vin Gilroy, John Buffa

Excused: Joseph Hobika, Sr., John Zegarelli

Also Present: Jack Spaeth (Executive Director), Laura Ruberto

Others: Scott Hosler and Richard Zweifel (agency auditors)

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 acquisition of a leasehold interest in and financing of a certain industrial development facility more particularly described below (Munson Machinery Company, Inc. Facility) and the leasing of the facility to Munson Machinery Company, Inc..

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

John Buffa voting aye;
Vincent Gilroy, Jr. voting aye; and
Emmett Martin voting aye.

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT, ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE MUNSON MACHINERY COMPANY, INC. FACILITY LOCATED AT 210 SEWARD AVENUE IN THE CITY OF UTICA, ONEIDA COUNTY.

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, Munson Machinery Company, Inc. (the "Company") has requested the Agency assist in a certain industrial development facility consisting of construction of a 12,000± addition (the "Addition") to an existing 44,230± manufacturing facility (the "Existing Improvements") (the Addition and the Existing Improvements referred to collectively as the "Improvements") located on a 7.5± acre parcel of land situated at 210 Seward Avenue, City of Utica, Oneida County, New York (the "Land") and acquisition and installation of machinery and equipment in the Improvements (the "Equipment") all for the purpose of manufacturing industrial mixing, blending and size reduction equipment (the Land, Improvements and Equipment collectively, the "Facility"); 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 Agency by resolution duly adopted on November 19, 2013 (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 February 20, 2014 the Agency provided to each affected taxing jurisdiction a notice of this meeting, describing the proposed financial assistance and the Agency's reasons for deviating from its Uniform Tax Exemption

Policy (the "Policy") and provided each the opportunity to comment on the same prior to the final granting of 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 acquisition, construction and equipping of the Facility and the leasing of the Facility to the Company, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the City of Utica and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction, 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 3, 2013, 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

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

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

(j) the PILOT Agreement by and between the Agency and the Company, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company's payments in lieu of real property taxes; 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.

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 PILOT Agreement; (vi) execute, deliver and perform the Environmental Compliance and Indemnification Agreement; and (vii) deviate from its Policy by granting 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 and the Environmental Compliance and Indemnification Agreement (each in substantially the forms presented 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 and the Environmental Compliance and Indemnification Agreement, all in substantially the forms thereof presented to this meeting 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.



CITY OF UTICA

Utica Industrial Development

Agency

1 Kennedy Plaza, Utica, New York 13502

(315)792-0195 fax: (315)797-6607

ROBERT PALMIERI
MAYOR

JOSEPH HOBICA
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 20, 2014

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

Re: Munson Machinery Company, Inc. Facility

Dear Sir:

On March 4, 2014 at 8:30 a.m. local time at Utica City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York, the City of Utica Industrial Development Agency (the "Agency") will meet to consider a final authorizing resolution regarding this project for the use of Munson Machinery Company, Inc.. (the "Company").

The Company has applied to the Agency for financial assistance in connection with a project consisting of the construction of a 12,000± addition (the "Addition") to an existing 44,230± manufacturing facility (the "Existing Improvements") (the Addition and the Existing Improvements referred to collectively as the "Improvements") located on a 7.5± acre parcel of land situated at 210 Seward Avenue, City of Utica, Oneida County, New York (the "Land") and acquisition and installation of machinery and equipment in the Improvements (the "Equipment") all for the purpose of manufacturing industrial mixing, blending and size reduction equipment (the Land, Improvements and Equipment collectively, the "Facility").

The financial assistance contemplated by the Agency constitutes a deviation from its standard policy in the following respects: the Agency shall lease the Facility to the Company for a period of ten years, during which time the Company shall make the following PILOT Payments:

(1) With respect to the Addition, the Company shall pay 1/3 of taxes on the increased assessment years 1 – 5, and 2/3 of taxes on the increased assessment years 6 – 10; and

(2) With respect to the Existing Facility, the Company shall receive a \$3,000.00 reduction in taxes during years 1 – 10, which credit shall be allocated among the Taxing Authorities in the same proportion as taxes would have been allocated but for the Agency's involvement, unless the Taxing Authorities have consented in writing to a specific allocation (For the purposes of apportioning the credit, each Taxing Authority shall use the tax rate for the prior Exemption Year).

The Agency is deviating from its policy for the following reasons:

- ✓ The nature of the proposed Facility – **The Facility is one of the oldest manufacturers in the City of Utica.**
- ✓ The nature of the Facility before the project begins -- **The Agency wishes to encourage the expansion of industrial and manufacturing projects in the City of Utica.**
- ✓ The economic condition of the area at the time of the application – **the Facility is located in an area that has been designated an economic development zone pursuant to Article 18-B of the General Municipal Law, and is therefore located in a "highly distressed area" (as defined in Section 854(18) of the New York General Municipal Law) because the Facility is located in a former Empire Development Zone as described in Article 18-B of the General Municipal Law**
- ✓ The extent to which the Facility will retain and increase permanent, private sector jobs
- ✓ The estimated value of tax exemptions to be provided
- ✓ The amount of private sector investment generated or likely to be generated by the proposed Facility
- ✓ The likelihood of accomplishing the proposed Facility in a timely fashion – **the construction of the expansion is already underway**
- ✓ The extent to which the proposed Facility will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located

You are welcome to attend such meeting at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Jack Spaeth at the Agency at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By: 

Jack N. Spaeth, Executive Director

JNS/lsr



CITY OF UTICA

Utica Industrial Development

Agency

1 Kennedy Plaza, Utica, New York 13502

(315)792-0195 fax: (315)797-6607

ROBERT PALMIERI
MAYOR

JOSEPH HOBICA
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 20, 2014

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

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ROBERT PALMIERI
MAYOR

JOSEPH HOBICA
CHAIRMAN

JACK SPAETH
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February 20, 2014

Christopher Salatino, President
Board of Education
Utica City School District
106 Memorial Parkway
Utica, New York 13501

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Bruce Karam, Superintendent
Utica City School District
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