

Transcript Document No. 6(a)

**Inducement Resolution
DePaul Utica, LP Facility**

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION WITH DEPAUL UTICA, LP, THE PRINCIPALS OF DEPAUL UTICA, LP, AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, AUTHORIZING A PUBLIC HEARING AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, DePaul Utica, LP, on behalf of itself and/or the principals of DePaul Utica, LP and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a lease-leaseback transaction in which the Agency will assist in (i) acquisition of four parcels of land measuring 5.31± acres in the aggregate located at 1914 Dwyer Avenue, 309 Gilbert Street and (no number assigned) Gilbert Street in the City of Utica, Oneida County, New York (collectively, the "Land") and the 40,000± square foot commercial building located thereon (the "Existing Improvements"); (ii) demolition of the Existing Improvements; (iii) construction on the Land of a three-story, 63,000± square foot multi-family residential development consisting of sixty (60) rental units, and amenities, offices and parking facilities to service the same (collectively, the "Improvements"); and (iv) the acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing low income and supported housing (the Land, the Existing Improvements, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, demolition, construction and equipping of the Facility is referred to collectively as the "Project"); and

WHEREAS, the Facility will be beneficially owned by the Company, as nominee for a housing development fund company to be formed pursuant to Article 11 of the Private Housing Finance Law ("HDFC"), and the Company will convey to the Agency a leasehold interest in the Facility; and

WHEREAS, the Project will be managed by DePaul Properties, Inc., an affiliate of the Company; and

WHEREAS, the Facility will be leased back to the Company pursuant to a Leaseback Agreement between the Agency and the Company (the "Leaseback Agreement") and pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Company will further sublease the Facility to residential tenants to be determined from time to time (the "Residential Sublessees"); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property tax for a period of thirty (30) years during which time the Company will pay as PILOT Payments an amount equal to 8.5% of the Effective Gross Income of the Facility (the "Financial Assistance"), which Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, the value of the proposed Financial Assistance is as follows:

Sales and use tax exemption	\$0
Mortgage recording tax exemption	\$0
Real property tax abatement	\$4,924,589.00 (approximately)

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any Financial Assistance, a public hearing (the "Hearing") will 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, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a lease-leaseback transaction, and the granting of any Financial Assistance, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the City of Utica or is necessary to maintain the competitive position of the Company in its industry; and

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

Section 1. (a) The acquisition, demolition, construction and equipping of the Facility and the Agency's Financial Assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the City of Utica and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;

(b) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction, for the purpose of providing Financial Assistance for the acquisition, demolition, construction and equipping of the Facility, as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall assist the Company in the acquisition, demolition, construction and equipping of the Facility and will provide the Financial Assistance with respect thereto.

Section 4. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel in connection with the lease-leaseback transaction.

Section 5. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.

Section 6. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

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 foregoing copy of a resolution of the City of Utica Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on September 4, 2018 at 8:30 a.m., local time, at One Kennedy Plaza, Utica, New York which the following members were:

Members Present: Vin Gilroy, Mark Curley, John Zegarelli, John Buffa, Emmett Martin

Also Present: Jack Spaeth (Executive Director), Laura Ruberto (BSK – Agency Counsel), Mayor Robert Palmieri, Heather Mowat (Budget Director), Brian Thomas (UED Commissioner)

Others: Jon Penna and Chris Tolhurst (DePaul Utica, LP), John Mansfield (developer), Eric Smithers (120 Security, LLC)

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

- Vincent J. Gilroy, Jr. voting aye;
- John Buffa votig aye;
- Emmett Martin voting aye;
- John Zegarelli voting aye;
- Mark Curley voting aye.

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such 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 this 18th day of July 2019.



Jack N. Spaeth, Assistant Secretary

EXHIBIT A
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the ___ day of October 2018 at 9:00AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

DePaul Utica, LP, on behalf of itself and/or the principals of DePaul Utica, LP and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in (i) acquisition of four parcels of land measuring 5.31± acres in the aggregate located at 1914 Dwyer Avenue, 309 Gilbert Street and (no number assigned) Gilbert Street in the City of Utica, Oneida County, New York (collectively, the "Land") and the 40,000± square foot commercial building located thereon (the "Existing Improvements"); (ii) demolition of the Existing Improvements; (iii) construction on the Land of a three-story, 63,000± square foot multi-family residential development consisting of sixty (60) rental units, and amenities, offices and parking facilities to service the same (collectively, the "Improvements"); and (iv) the acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing low income and supported housing (the Land, the Existing Improvements, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, demolition, construction and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately thirty (30) years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sublease the Facility to residential tenants to be determined from time to time. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales tax and abatement of real property tax for a period of thirty (30) years, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

Dated: _____, 2018

By: /s/ Vincent J. Gilroy, Jr., Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING

City of Utica Industrial Development Agency
2019 Real Estate Lease
DePaul Utica, LP Facility

1. Jack Spaeth, Executive Director of the City of Utica Industrial Development Agency (the "Agency"), called the hearing to order.
2. The Executive Director, also being the Assistant Secretary of the Agency, recorded the minutes of the hearing.
3. The Executive Director then described the proposed project and related financial assistance as follows:

DePaul Utica, LP, on behalf of itself and/or the principals of DePaul Utica, LP and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in (i) acquisition of four parcels of land measuring 5.31± acres in the aggregate located at 1914 Dwyer Avenue, 309 Gilbert Street and (no number assigned) Gilbert Street in the City of Utica, Oneida County, New York (collectively, the "Land") and the 40,000± square foot commercial building located thereon (the "Existing Improvements"); (ii) demolition of the Existing Improvements; (iii) construction on the Land of a three-story, 63,000± square foot multi-family residential development consisting of sixty (60) rental units, and amenities, offices and parking facilities to service the same (collectively, the "Improvements"); and (iv) the acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing low income and supported housing (the Land, the Existing Improvements, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, demolition, construction and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately thirty (30) years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sublease the Facility to residential tenants to be determined from time to time. At the end of

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 foregoing copy of the minutes of a public hearing held by the City of Utica Industrial Development Agency (the "Issuer") on _____, 2018 at _____ a.m. local time, at _____, _____, New York _____ with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2019.

(Assistant) Secretary