

Transcript Document No. 7(a)

**Final Authorizing Resolution
Lafayette Hotel Associates LLC
(Hotel Utica) Facility**

Date: February 18, 2016

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at Fort Schuyler Club, 254 Genesee Street, Utica, New York on the 18th day of February 2016, the following members of the Agency were:

PRESENT: John Buffa
 Vincent J. Gilroy, Jr.
 Joseph Hobika, Sr.

ALSO PRESENT: Jack Spaeth
 Linda E. Romano, Esq. (Bond, Schoeneck & King)
 Brian Thomas (Director, Urban & Economic Dev't)
 Doug Joslin

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, renovation and equipping of a certain industrial development facility more particularly described below (Hotel Utica Facility) and the leasing of the facility to Lafayette Hotel Associates LLC.

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

John Buffa voting aye
Vincent J. Gilroy, Jr. voting aye
Joseph Hobika, Sr. voting aye

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT, ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT, FINANCING INSTRUMENTS AND RELATED DOCUMENTS WITH RESPECT TO THE LAFAYETTE HOTEL ASSOCIATES LLC (HOTEL UTICA) FACILITY LOCATED AT 102 LAFAYETTE STREET 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, Lafayette Hotel Associates LLC (the "Company") has requested the Agency assist in a certain industrial development facility consisting of the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment is 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 Agency by resolution duly adopted on February 2, 2016 (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, the Agency contemplates providing financial assistance to the Company in the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during

which time the Company will pay fixed PILOT Payments more particularly described on Exhibit A attached hereto (the "Financial Assistance"), which Financial Assistance represents a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, on February 4, 2016 the Agency mailed notices to all affected taxing jurisdictions describing the Financial Assistance and the Agency's reasons for deviating from its Policy, and also providing the date and time of this meeting so that each may have the opportunity to comment on the proposed Financial Assistance; and

WHEREAS, Bank of Utica (the "Bank") intends to finance a portion of the costs of the Facility by making a loan to the Company in the approximate amount of \$2,000,000.00, to be secured by the Facility as described in certain financing instruments from the Agency and the Company to the Bank (collectively, the "Bank Documents"); 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, renovation and equipping of the Facility, the financing 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, renovation and equipping 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 February 2, 2016, 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, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Company conveys to the Agency a leasehold interest in the Facility; and

(i) the Leaseback Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency leases the Facility back to the Company; and

(j) the Payment-In-Lieu-of-Tax Agreement by and between the Agency and the Company (the "PILOT Agreement"), 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 among the Agency, the Bank and the Company, in form satisfactory to the Chairman and Agency Counsel, 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 and the Bank 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, (vii) grant a security interest in the Facility to the Bank pursuant to the Bank Documents, (viii) execute, deliver and perform the Bank Documents, subject to approval by Agency Counsel; and (ix) 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 customarily used by the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved. The form and substance of the Bank Documents and the City Documents are hereby approved, subject to the approval by Agency Counsel.

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 Bank Documents, in form satisfactory to the Chairman and Agency Counsel, 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 Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

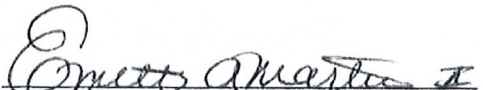
That I have compared the annexed extract of the minutes of the meeting of the City of Utica Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 18th day of February 2016 with the original thereof on file in my office, and that the same is a true and 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 Bank 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, (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 this 26th day of May 2016.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Emmett Martin, Secretary



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, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 4, 2016

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

Re: Lafayette Hotel Associates, LLC (Hotel Utica) Facility

Dear Sir:

On February 18, 2016 at 12:00 p.m. local time at the Fort Schuyler Club, 254 Genesee Street, 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 Lafayette Hotel Associates, LLC (the "Company").

The Company has applied to the Agency for financial assistance in connection with a project consisting of the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, Improvements and Equipment collectively, the "Facility").

The financial assistance contemplated by the Agency constitutes a deviation from its Uniform Tax Exemption Policy (the "Policy") in the following respects: the Agency shall lease the Facility to the Company for a period of twenty years, during which time the Company shall pay fixed PILOT Payments in accordance with the schedule attached.

The Agency is also contemplating granting exemptions from sales tax and exemptions from mortgage recording tax, which is consistent with the Agency's Policy.

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

- ✓ **The nature of the proposed Facility – The Facility will provide necessary amenities and is consistent with the Master Plan for the City of Utica.**

- ✓ The nature of the Facility before the project begins -- **The Facility is an historic building and a distressed property in the heart of downtown 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 impact of the proposed Facility on existing and proposed businesses and economic development projects in the vicinity – **redeveloping and stabilizing the Facility will help to revitalize downtown Utica**
- ✓ The extent to which the Facility will retain and increase permanent, private sector jobs
- ✓ The estimated value of tax exemptions to be provided
- ✓ The impact of the project and the proposed tax exemptions on affected tax jurisdictions – **setting a fixed PILOT Payment will assist the Company and the taxing jurisdictions in financial planning efforts**
- ✓ The amount of private sector investment generated or likely to be generated by the proposed Facility
- ✓ The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located – **it is likely that guests of the hotel will travel to the City from outside the region and generate hotel tax and sales tax**
- ✓ The extent to which the proposed Facility will provide a benefit (economic or otherwise) that is 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



ROBERT PALMIERI
MAYOR

CITY OF UTICA

Utica Industrial Development Agency
1 Kennedy Plaza, Utica, New York 13502
(315)792-0195 fax: (315)797-6607

JOSEPH HOBICA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 4, 2016

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

Re: Lafayette Hotel Associates, LLC (Hotel Utica) Facility

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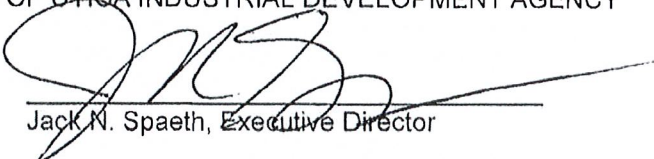
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CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

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, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 4, 2016

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

Re: Lafayette Hotel Associates, LLC (Hotel Utica) Facility

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- ✓ 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 HOBIKA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 4, 2016

Bruce Karam, Superintendent
Utica City School District
106 Memorial Parkway
Utica, New York 13501

Re: Lafayette Hotel Associates, LLC Facility

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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/lst

Re: CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

STATE OF NEW YORK)
) SS:
COUNTY OF ONEIDA)

Jack N. Spaeth, being duly sworn, deposes and says:


On February 4, 2016 he deposited in a post office box regularly maintained by the United States Government in the City of Utica, New York, a copy of a Notice of Deviation from Uniform Tax Exemption Policy regarding the **Lafayette Hotel Associates, LLC (Hotel Utica) Facility**, regarding a meeting to be held on February 18, 2016 at 12:00PM, local time, at Fort Schuyler Club, Genesee Street, City of Utica, Oneida County, New York 13502, copy of said Notice is attached hereto and made a part hereof, to the following parties at their respective addresses set forth below:

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

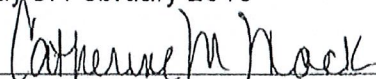
Robert M. Palmieri
Mayor, City of Utica
One Kennedy Plaza
Utica, New York 13502

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

Bruce Karam, Superintendent
Utica City School District
106 Memorial Parkway
Utica, New York 13501


Jack N. Spaeth

Sworn to before me this 4th
day of February 2016



Notary Public

CATHERINE M. MACK
Notary Public, State of New York
Reg.# 01MA6061896
Appointed in Oneida County
My Commission Expires July 23, 20 17



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 HOBIKA
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 18, 2016

Robert Palmieri, Mayor
City of Utica
One Kennedy Plaza
Utica NY 13502

Re: City of Utica Industrial Development Agency 2016 Lease-Leaseback Transaction
(Hotel Utica Facility)

Dear Mayor Palmieri:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Issuer to enter into a transaction in which the Issuer will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (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"). The Company has requested that the Agency provide financial assistance in the form of exemptions from sales and use taxes, exemptions from mortgage recording tax and abatement of real property taxes for a period of twenty years, which represents a deviation from the Issuer's Uniform Tax Exemption Policy. The Facility will be "primarily used in making retail sales to customers who personally visit" such Facility, as such phrase is used in connection with Section 862 of the General Municipal Law.

Robert Palmieri
February 18, 2016
Page Two

On February 18, 2016, based on information contained in the Company's application, the Agency adopted a Statement of Findings relating to the Facility. A copy of the Statement of Findings is enclosed for your review.

Pursuant to Section 862(c) of the General Municipal Law, the Agency requests that you, as Chief Executive Officer of the municipality for whose benefit the Agency was created, execute the enclosed certificate confirming the proposed action of the Agency with respect to the Facility.

Respectfully submitted,

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Jack N. Spaeth, Executive Director

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY
Statement of Findings Pursuant to Section 862(2) of the
General Municipal Law

City of Utica Industrial Development Agency (the "Issuer"), pursuant to the provisions of Section 862(2) of the General Municipal Law of the State of New York, hereby finds as follows:

1. Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Issuer to enter into a transaction in which the Issuer will assist in acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, Improvements and Equipment collectively, the "Facility"). The Company has requested that the Agency provide financial assistance in the form of exemptions from sales and use taxes, exemptions from mortgage recording taxes and abatement of real property tax for a period of twenty years during which time the Company will pay fixed PILOT Payments, which financial assistance represents a deviation from the Issuer's Uniform Tax Exemption Policy.

2. After notice duly published in *The Observer-Dispatch* on February 5, 2016 and notice to all affected tax jurisdictions, the Agency conducted a public hearing (the "Public Hearing") on February 18, 2016 at 9:30AM at One Kennedy Plaza, Utica NY 13502. The minutes of the Public Hearing are attached hereto as Exhibit A.

3. Based on information provided by the Company in the Application, the Agency finds as follows:

THE FACILITY IS LOCATED IN A "HIGHLY DISTRESSED AREA," AS SUCH TERM IS DEFINED IN SECTION 854(18) OF THE GENERAL MUNICIPAL LAW BECAUSE THE FACILITY IS LOCATED IN A DESIGNATED EMPIRE DEVELOPMENT ZONE AS DESCRIBED IN ARTICLE 18-B OF THE GENERAL MUNICIPAL LAW.

The Agency finds further that the Facility will serve the public purposes of Article 18-A of the General Municipal Law by preserving or increasing the overall number of permanent, private sector jobs in the State.

4. The Agency hereby determines to request Robert Palmieri, Mayor of the City of Utica, to confirm the proposed action of the Agency with respect to the Facility.

Dated: February 18, 2016

STATE OF NEW YORK)

: ss.:

COUNTY OF ONEIDA)

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

That I have compared the Statement of Findings annexed hereto, adopted by the City of Utica Industrial Development Agency (the "Agency") at a meeting held on February 18, 2016, 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 findings set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I further CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of the Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of February 2016.



Jack N. Spaeth, Assistant Secretary

EXHIBIT A

MINUTES OF PUBLIC HEARING HELD ON FEBRUARY 18, 2016

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY 2016 LEASE-LEASEBACK TRANSACTION (HOTEL UTICA FACILITY)

1. Jack N. Spaeth, Executive Director of the City of Utica Industrial Development Agency (the "Issuer"), called the hearing to order.
2. The Executive Director, who is also the Assistant Secretary of the Issuer, recorded the minutes of the hearing.
3. The Executive Director then described the proposed financial assistance and the location and nature of the Project Facility to be financed as follows:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC 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 the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (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"). 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 twenty years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during which time the Company will pay a fixed PILOT Payment. The financial assistance being contemplated is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly

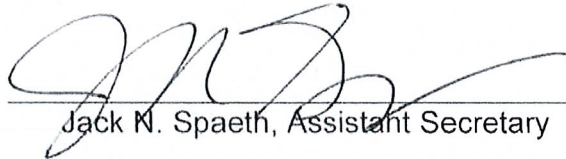
described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Issuer 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 Issuer, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

4. The Executive Director then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:

Alex Gerould (*Observer-Dispatch*) and Cara Thomas (Time Warner) were in attendance; there were no comments.

5. The Executive Director then asked if there were any further comments, and, there being none, the hearing was closed at 10:00 AM.



Jack N. Spaeth, Assistant Secretary

CERTIFICATE OF CHIEF EXECUTIVE OFFICER OF SPONSORING MUNICIPALITY CONFIRMING
ACTION OF CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO
LAFAYETTE HOTEL ASSOCIATES, LLC IN ACCORDANCE WITH SECTION 862(c) OF THE
GENERAL MUNICIPAL LAW

WHEREAS, Robert Palmieri, Mayor of the City of Utica, has been advised by the City of Utica Industrial Development Agency (the "Agency") that the Agency proposes to provide financial assistance in the form of exemptions from sales and use taxes, exemptions from mortgage recording taxes and abatement of real property taxes for a period of twenty years, which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, to Lafayette Hotel Associates, LLC (the "Applicant") in connection with a Facility described below;

WHEREAS, the Facility consists of the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (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").

WHEREAS, on February 18, 2016, after consideration of the application and other information provided by the Company, the Agency adopted a Statement of Findings with respect to the Facility (the "Statement of Findings") a copy of which is attached hereto; and

WHEREAS, by resolution dated February 18, 2016, the Agency found that (1) the Project 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 designated Empire Development Zone as described in Article 18-B of the General Municipal Law and (2) the Project will preserve permanent, private sector jobs in the State of New York and thereby serve the public purposes of the Act, and the Agency determined to undertake the Project as requested by the Applicants; and

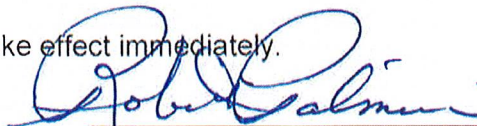
WHEREAS, pursuant to Section 862(c) of the General Municipal Law, the Agency is prohibited from providing financial assistance to the Facility unless the chief executive officer of its sponsoring municipality confirms the proposed action of the Agency with respect to the Facility.

NOW, THEREFORE, PURSUANT TO THE POWER VESTED IN ROBERT PALMIERI, MAYOR OF THE CITY OF UTICA, UNDER NEW YORK LAW, BE IT DETERMINED, APPROVED AND RESOLVED AS FOLLOWS:

1. For the sole purpose of complying with Section 862(c) of the General Municipal Law and based on the findings of the Agency set forth in the Statement of Findings, the Mayor of the City of Utica hereby confirms the proposed action of the Agency with respect to the Facility.

2. This confirmation shall take effect immediately.

Dated: February 18, 2016



Robert Palmieri, Mayor, City of Utica