

MICHAEL P. GALIME, MAYOR
CITY OF UTICA



UTICA INDUSTRIAL DEVELOPMENT AGENCY
1 KENNEDY PLAZA
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Agenda

Utica Industrial Development Agency
Regular Meeting – Wednesday, October 2, 2024 @ 9:00am
Utica City Hall, Utica, New York and via WebEx

- I. Call to Order
- II. Approval of Minutes (September 11, 2024)
- III. Old Business
 - A. People First – Impact Cornhill LLC – Consider a final authorizing resolution relating to the Impact Cornhill LLC facility, authorizing financial assistance in the form of reduction of real property tax for a period of 32 years during which time the Company will pay as PILOT Payments (i) during the construction period in exemption years one and two: an amount equal to the taxes calculated using the assessment of the Land for the 2024 taxable status date and (ii) in exemption years three through thirty-two: eight percent (8.00%) of the effective gross income of the Facility (value estimated at \$8,247,484) and approving the form and execution of related documents in the Agency’s customary form, subject to counsel review.
 - B.
- IV. New Business
 - A.
- V. Executive Session (if required)
- VI. Adjourn

Members of the public may listen to the meeting by calling
1-408-418-9388, Access code: 2631 809 6058 or joining the meeting at Meeting link:
<https://cityofutica.webex.com/cityofutica/j.php?MTID=ma5a6cdc1ce2eb0b25f283705105389fb>
Meeting password: daPjqwJF973

The Minutes of the Agency meeting will be transcribed and posted on the UIDA website.

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September 11, 2024 9:00a.m.
Utica Industrial Development Agency Regular Meeting
City Hall, Utica, NY – WebEx Conference Call/In-Person

Members Present: Vin Gilroy, John Zegarelli, Steve Deery, John Buffa, Emmett Martin

Excused:

Also Present: Jack Spaeth (Executive Director), Linda Romano and Laura Ruberto – BSK agency counsel

Others: Bob Calli – People First

1) CALL MEETING TO ORDER: The meeting was called to order by Mr. Gilroy at 9:00a.m. The Finance, Governance and Audit Committees, as they consist of sitting Agency members, meet as a committee of the whole, and in doing such, meet at every meeting.

2) APPROVAL OF MINUTES: A motion was made by Mr. Martin, seconded by Mr. Buffa, to approve the minutes of the August 21, 2024 meeting. All in favor.

3A) OLD BUSINESS – People First – AMP 1

Mr. Spaeth noted the Board needed to approve a final resolution and that the public hearing was held on Monday of this week with no comments from the public.

As such, Mr. Martin made a motion, seconded by Mr. Buffa to approve a final authorizing resolution relating to the People First AMP 1, LLC Facility, providing final approval for financial assistance in the form of exemptions from sales tax (valued at \$7,875,000), exemptions from mortgage recording tax (valued at \$195,000.00) and reduction of real property tax for a period of 30 years during which time the Company will pay an annual PILOT Payment of 3.5% of Effective Gross Income (valued at \$45,096,251), which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, and authorizing the form and execution of related documents, subject to counsel approval. All in favor.

3B) OLD BUSINESS – HP Utica Preservation LLC

Ms. Ruberto explained to the Board that Fannie Mae is requesting the UIDA participate in a Senior Mortgage, Building Loan Mortgage and an Agency Estoppel Certificate as part of the project. Ms Romano stated she needs to review.

With no discussion, Mr. Buffa made a motion, seconded by Mr. Martin to the Agency to participate in those documents. All in favor.

4A) NEW BUSINESS – People First – Impact Cornhill

Mr. Spaeth gave a brief overview of the James and West Street projects and then introduced Mr. Calli. Mr. Calli stated that People First responded to an RFP from the City to engage in the Renaissance Center. This effort morphed in the Impact Cornhill project in cooperation with the Community Foundation. The project entails 102 affordable units along with a community center, gymnasium/playground, potential Well Now health center, recording studio and a potential Bargain Grocer satellite store. Some of the funding mechanisms involved with the project include: \$3.0M from NYS ESD, \$3.5M from Housing Community and \$900k of ARPA funds. As the commercial space is not expecting to be a money-maker, the Community Foundation will issue a guarantee of 30 years to make up any shortfalls, while the Housing Authority will cover any losses from the residential portion of the project. Closing is expected in 4Q of 2025.

After little discussion, Mr. Buffa made a motion, seconded by Mr. Zegarelli to an inducement resolution relating to the People First Impact Cornhill LLC Facility, in support of a request for financial assistance in the form of a reduction of real property tax for a period of 30 years during which time the Company will pay an annual PILOT Payment of 8.0% of Effective Gross Income (valued at \$8,247,484), which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy and authorizing the Agency to conduct a public hearing. All in favor.

4B) NEW BUSINESS – People First – Impact Cornhill

Mr. Spaeth noted that the Planning Board took action on the SEQR for the project.

Mr. Martin made a motion, seconded by Mr. Deery to approve a SEQR resolution relating to the People First Impact Cornhill Facility. All in favor.

5) EXECUTIVE SESSION:

Not entered into

6) ADJOURNMENT: There being no further business brought before the Agency, Mr. Zegarelli made a motion to adjourn, seconded by Mr. Buffa and the meeting was adjourned at 9:21am.

The next regular meeting of the Utica Industrial Development Agency is scheduled for Wednesday, October 2, 2024 at 9:00am at City Hall via WebEx and in-person.

**Final Authorizing Resolution
Impact Cornhill LLC Facility**

Date: October 2, 2024

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at One Kennedy Plaza, 2nd Floor, Urban and Economic Development Conference Room, Utica, New York on October 2, 2024, the following members of the Agency were:

Members Present:

Members Excused:

Others 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 acquisition of a leasehold interest in, demolition, construction and equipping of a certain industrial development facility more particularly described below (Impact Cornhill LLC Facility) and the leasing of the facility to Impact Cornhill LLC.

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

RESOLUTION APPROVING FINANCIAL ASSISTANCE, AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT, ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT AND RELATED DOCUMENTS, AND TO SUBORDINATE ITS LEASES TO THE LIEN OF THE HFA MORTGAGE, ALL WITH RESPECT TO THE IMPACT CORNHILL LLC FACILITY LOCATED AT 1119 – 1121 WEST STREET AND 313 JAMES 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, Impact Cornhill LLC, on behalf of itself and/or the principals of Impact Cornhill 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 two parcels of land located at 1119 – 1121 West Street and ten parcels of land located at (no numbers assigned), 1112, 1122 – 1127 Miller Street (collectively, the “West Street Land”) and a parcel of land located at 313 James Street (the “James Street Land”), all in the City of Utica, Oneida County, New York (collectively, the “Land”); (ii) construction on the James Street Land of a multifamily affordable housing facility with 24 residential units, 5,500± square feet of commercial space including, entrepreneurial incubator pods, urban grocery store and courtyard together with infrastructure to service the same (collectively, the “James Street Improvements”); (iii) demolition of three buildings situated on the West Street Land and construction of a multifamily affordable housing facility with 78 residential units, a 20,000± square foot community center and a 9,000± square foot gymnasium together with infrastructure to service the same (the “West Street Improvements” and together with the James Street Improvements, the “Improvements”); and (iv) acquisition and installation of furniture, fixtures and equipment in the Improvements (the “Equipment”), all to be beneficially owned and operated by the Company as a multifamily mixed-income and supportive housing facility to enhance economic development and retain employment in the City of Utica (the Land, 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, Impact Cornhill Housing Development Fund Corporation, a New York not-for-profit corporation is (or will be on the date of closing) the fee

owner, as nominee, of the Facility and the Company is (or will be on the date of closing) beneficial owner of the Facility and will lease the Facility to the Agency pursuant to a Lease Agreement; and

WHEREAS, the HDFC and the Company will lease the Facility to the Agency pursuant to a Lease Agreement (the "Lease Agreement"); and

WHEREAS, the Facility will be leased back to the HDFC and the Company for the Company's operation pursuant to a Leaseback Agreement by and among the Agency, the HDFC 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, as beneficial owner, has all rights under the Nominee Agreement to accept a leasehold interest in the Facility, operate the Facility and is compelled to perform all of the obligations under the Leaseback Agreement on behalf of the HDFC; and

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

WHEREAS, the Company intends to further sublease the commercial portions of the Facility to commercial tenants to be identified (each a "Commercial Sublessee" and together with the Residential Sublessees 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 one or more loans to the Company in the aggregate principal sum of \$25,700,854.00 to be secured by one or more mortgages (collectively, the "HFA Mortgage") from the Company to NYS HFA; and

WHEREAS, the Agency by resolution duly adopted on September 11, 2024 (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 that it will provide financial assistance to the Company in the form of abatement of real property tax for a period of thirty-two (32) years during which time the Company will pay as PILOT Payments (i) during the construction period in exemption years one and two: an amount equal to

the taxes calculated using the assessment of the Land for the 2024 taxable status date and (ii) in exemption years three through thirty-two: eight percent (8.00%) 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; and

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

Sales and use tax exemption	N/A
Mortgage recording tax exemption	N/A
Real property tax abatement	\$8,247,484.00 (approximately)

WHEREAS, on September 17 the Agency emailed notices to all affected taxing jurisdictions describing the Financial Assistance, providing the date on which a public hearing would be conducted, 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, on October 1, 2024 the Agency conducted a public hearing regarding the Project, the minutes of which were provided to the Agency members; and

WHEREAS, as an alternative to mortgaging the Agency’s leasehold interest in the Facility, the NYS HFA has requested the Agency subordinate the Lease Agreement and the Leaseback Agreement to the liens of the NYS HFA Mortgage (except for Unassigned Rights as defined in the Leaseback Agreement); and

WHEREAS, the Agency is not being requested at this time to extend the mortgage recording tax exemption to the NYS HFA Mortgage, and a supplemental resolution will be required in order to approve the form and execution of said documents if the Agency is requested to join in the instruments; 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, demolition, construction and equipping of the Facility, the financing of the Facility, the leasing of the Facility to the Company and the subleasing of the Facility to the Sublessees 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, based upon representations made by the Company, the Facility will promote employment opportunities and prevent economic deterioration in the area served by the Agency; and

(d) The acquisition, demolition, construction 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 September 11, 2024 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 the Agency's customary form together with any changes satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Company and the HDFC convey to the Agency a leasehold interest in the Facility; and

(i) the Leaseback Agreement, in the Agency's customary form together with any changes satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency leases the Facility back to the HDFC and the Company for operation by the Company; and

(j) the Payment-In-Lieu-of-Tax Agreement by and among the Agency, the HDFC and the Company (the "PILOT Agreement"), in the Agency's customary form together with any changes 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, in the Agency's customary form together with any changes 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 for all liability under all such Environmental Laws; and

(l) The Agency hereby restates and reaffirms the reasons it intends to deviate from Policy as described in the Resolution.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility from the Company and the HDFC pursuant to the Lease Agreement; (ii) execute, deliver and perform the Lease Agreement; (iii) lease the Facility back to the HDFC and 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) subordinate the Lease Agreement and Leaseback Agreement to the liens of the HFA Mortgage; and (viii) 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 the Lease Agreement, the Leaseback Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement, in forms 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 Assistant Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extracts of the minutes of the meetings of the City of Utica Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on October 2, 2024, 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 and the Environmental Compliance and Indemnification Agreement contained in this transcript of proceedings are each in substantially the forms presented to the Agency and/or 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 _____,
2024.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Jack Spaeth, Assistant Secretary