

Transcript Document No. []

**Final Authorizing Resolution
People First AMP 1, LLC Facility**

Date: September 11, 2024

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 September 11, 2024, the following members of the Agency were:

Members Present: Vincent Gilroy; Steve Deery; John Buffa; Emmett Martin; John Zegarelli

Also Present: Jack Spaeth, Executive Director; Linda Romano and Laura Ruberto, Bond, Schoeneck & King; Bob Calli, People First

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 (People First AMP 1, LLC Facility) and the leasing of the facility to People First AMP 1, LLC.

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

Vincent Gilroy voting aye;
Steve Deery voting aye;
John Buffa voting aye;
Emmett Martin voting aye;
John Zegarelli voting aye.

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 PEOPLE FIRST AMP 1, LLC FACILITY LOCATED AT 1600, 1736 AND 1790 ARMORY DRIVE 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, People First AMP 1, LLC, on behalf of itself and/or the principals of People First AMP 1, LLC and/or an entity or entities formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a set of lease-leaseback transactions in which the Agency will assist in a multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the "Improvements") situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the "Land") and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to individually each as a "Facility, and collectively as the "Facilities" and the phased demolition, construction and equipping of each Facility is referred to individually each as a "Project" and collectively as the "Projects"); and

WHEREAS, the Company has agreed to lease the Facilities to the Agency pursuant to one or more Lease Agreements (each a "Lease Agreement") between the Agency and the Company; and

WHEREAS, the Agency has agreed to lease the Facilities back to the Company pursuant to one or more Leaseback Agreements between the Agency and the Company (each a "Leaseback Agreement") for its operation; and

WHEREAS, the Company intends to further sublease individual residential units comprising the Facilities 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 Facilities by extending a loan to the Company in the estimated principal sum of \$155,780,000.00 to be secured by a Subsidy Mortgage (the "HFA Mortgage") from the Company to NYS HFA; and

WHEREAS, the New York State Homeless Housing and Assistance Corporation ("NYS HHAC") through the New York State Homeless Housing and Assistance Program ("NYS HHAP") intends to finance a portion of the costs of the Facilities by extending a loan to the Company in the estimated principal sum of up to \$15,000,000.00 to be secured by a Mortgage (the "NYS HHAC Mortgage") from the Company and HDFC to NYS HHAC; 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 that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials incorporated into each Facility, exemptions from mortgage recording taxes, and abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments (i) fixed payments during the construction period of each Project and (ii) after completion of each Project, three and one-half percent (3.50%) of the effective gross income of the applicable Facility for a period of 30 years (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	\$ 7,875,000.00
Mortgage recording tax exemption	\$ 195,000.00
Real property tax abatement	\$18,322,812.00 (approximately)

WHEREAS, as a condition of Financial Assistance, the Company has committed to retain the existing six (6) full-time equivalent ("FTE") positions and create an additional seven (7) FTEs at the Facilities within two years of project completion; and

WHEREAS, the Agency, by resolution duly adopted on August 21, 2024 (the “Resolution”), decided to proceed under the provisions of the Act to lease the Facilities 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 Facilities, could be heard; and

WHEREAS, on August 29, 2024 a notice of the public hearing was published in the *Daily Sentinel* and on August 27, 2024 written notice of the public hearing was delivered to the chief executive officer of the affected taxing jurisdictions in which the Facilities are located, which included a notice of the Agency’s intent to deviate from Policy and providing the date, time and location of this meeting, setting forth its reasons for deviating and describing the proposed Financial Assistance; and

WHEREAS, the Agency conducted a public hearing on September 9, 2024 and has reviewed the minutes of said public hearing; 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 Facilities.

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 Facilities constitute a “project”, as such term is defined in the Act; and

(c) The phased demolition, construction and equipping of the Facilities, the leasing of the Facilities to the Company, and the financing of the Facilities through the NYS HFA and NYS HHAP 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 phased demolition, construction and equipping of the Facilities is reasonably necessary to induce the Company to maintain and expand its business operation in the State of New York; and

(e) The purpose of the Project is to significantly rehabilitate existing affordable housing, which fills a need identified in the Utica Housing Study by increasing the stock of new and safe, affordable housing as well as rehabilitating underutilized buildings into affordable housing, and will promote employment opportunities and prevent economic deterioration in the area served by the Agency; and

(f) Based upon representations of the Company and the Company's Counsel, the Facilities conform 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 Facilities are located; and

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

(h) The SEQRA findings adopted by the Agency on August 21, 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

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

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

(k) Each 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 Facilities and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws; and

(l) Each 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) It is appropriate to deviate from Policy and authorize the Financial Assistance for the following reasons:

- **The nature of the proposed Facilities** – The Facilities will provide 425 new, energy efficient affordable housing units, providing 60 new supportive units with onsite services. The Facilities will also fill a demand for affordable housing identified in the Vision2020 initiative and the City of Utica Housing Study.
- **The nature of the Facilities before the project begins** – The F.X. Matt, ND Peters and Adrean Terrace Apartments have reached functional obsolescence and are in dire need of rehabilitation. The current units do not meet the needs of residents, ranging from lack of ADA accessibility to failing infrastructure.
- **The impact of the proposed Facilities on existing and proposed businesses and economic development projects in the vicinity** – redeveloping and stabilizing the Facilities will help to revitalize the neighborhood.
- **The extent to which the Facilities will retain and increase permanent, private sector jobs.**
- **Impact of the proposed tax exemptions on affected tax jurisdictions:** The Facilities currently make tax payments under a Cooperation Agreement with the City of Utica. The proposed PILOT Payments are considerably higher than the payments that are currently generated by the property. The proposed Financial Assistance will increase the amount of tax revenue presently realized by the affected tax jurisdictions while allowing the Company to make a significant investment to renovate the Facilities, which will benefit the community.
- **The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located** – as the buildings have deteriorated over the years, renovations may be a boost to the local taxing jurisdictions by providing for additional real property tax revenues through the possibility of a higher assessed value.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facilities from the Company pursuant to one or more Lease Agreements; (ii) execute, deliver and perform the Lease Agreements; (iii) lease the Facilities back to the Company pursuant to one or

more Leaseback Agreements, (iv) execute, deliver and perform the Leaseback Agreements, (v) execute, deliver and perform the Environmental Compliance and Indemnification Agreements, (vi) execute, deliver and perform the PILOT Agreements and (vii) 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 Agreements, the Leaseback Agreements, the PILOT Agreements and the Environmental Compliance and Indemnification Agreements (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 Agreements, the Leaseback Agreements, the PILOT Agreements and the Environmental Compliance and Indemnification Agreements, 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 Agreements).

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 September 11, 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 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 September 11, 2024.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By:



Jack Spaeth, Assistant Secretary