

**PILOT DEVIATION APPROVAL RESOLUTION FOR AMENDED PROJECT
REGENERON PHARMACEUTICALS, INC. WAREHOUSE PROJECT**

A regular meeting of Rensselaer County Industrial Development Agency (the "Agency") was convened in public session in the 3rd Floor Conference Room at the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York on December 14, 2017 at 4:00 o'clock p.m., local time.

The meeting was called to order by the (~~Vice~~) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

John H. Clinton, Jr.	Chairman
Michael Della Rocco	Vice Chairman
Cynthia A. Henninger	Secretary/Treasurer
Ronald Bounds	Assistant Secretary/Treasurer
Douglas Baldrey	Member
James Church	Member
Renee Powell	Member

ABSENT:

C. HENNINGER
R. BOUNDS
R. POWELL

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Robert L. Pasinella, Jr.	Executive Director
Robin LaBrake	Assistant
Peter R. Kehoe, Esq.	Agency Counsel
George W. Cregg, Jr., Esq.	Special Counsel

The following resolution was offered by J. CHURCH, seconded by D. BALDREY, to wit:

Resolution No. 1217-6

RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED REGENERON PHARMACEUTICALS, INC. WAREHOUSE PROJECT.

WHEREAS, Rensselaer County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 128 of the 1974 Laws of New York, as amended, constituting Section 903-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving,

maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Regeneron Pharmaceuticals, Inc., a New York business corporation (the “Company”), submitted an application (the “Original Application”) to the Agency, a copy of which Original Application is on file at the office of the Agency, which Original Application requested that the Agency consider undertaking a project (the “Original Project”) for the benefit of the Company, said Original Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 119 acre parcel of land located at 401 Temple Lane and Lisa’s Avenue in the Town of East Greenbush, Rensselaer County, New York (being a portion of tax map numbers 144.-3-5.1 and 144.-3-4) (the “Original Land”), (2) the construction on the Original Land of an approximately 211,600 square foot facility with related site work and with related parking for approximately 262 vehicles (collectively, the “Original Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the “Original Equipment”), all of the foregoing to constitute a warehouse for the existing pharmaceutical manufacturing facility (the Original Land, the Original Facility and the Original Equipment being collectively referred to as the “Original Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Original Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on January 12, 2017 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Original Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the “Initial Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Original Project and the financial assistance being contemplated by the Agency with respect to the Original Project, to be mailed on March 9, 2017 to the chief executive officers of the county and of each city, town, village and school district in which the Original Project Facility is to be located, (B) caused notice of the Initial Public Hearing to be posted on March 10, 2017 at the East Greenbush Town Hall located at 225 Columbia Turnpike in the Town of East Greenbush, Rensselaer County, New York, as well as on the Agency’s website, (C) caused notice of the Initial Public Hearing to be published on March 10, 2017 in The Record, a newspaper of general circulation available to the residents of the Town of East Greenbush, Rensselaer County, New York, (D) conducted the Initial Public Hearing on March 28, 2017 at 6:00 p.m., local time at the East Greenbush Town Hall located at 225 Columbia Turnpike in the Town of East Greenbush, Rensselaer County, New York, and (E) prepared a report of the Initial Public Hearing (the “Initial Public Hearing Report”) fairly summarizing the views presented at such Initial Public Hearing and caused copies of said Initial Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on January 12, 2017 (the "Preliminary SEQR Resolution"), the Agency (A) determined (1) to obtain an environmental assessment form relating to the Original Project (an "EAF") from the Company, to review the EAF with counsel to the Agency, and prepare proceedings to allow the Agency to comply with the requirements of SEQRA that apply to the Original Project, and (2) that, the Agency wished to investigate the advisability of undertaking a coordinated review with respect to the Original Project and (B) authorized the Executive Director of the Agency to contact all other "involved agencies" for the purpose of ascertaining whether such "involved agencies" were interested in undertaking a coordinated review of the Original Project and, if so, designating a "lead agency" with respect to the Original Project (as such quoted terms are defined in SEQRA) and to report to the Agency at its next meeting on the status of the foregoing; and

WHEREAS, further pursuant to SEQRA, the Company submitted to the Agency (A) the Final Supplemental Environmental Impact Statement prepared with respect to the Original Project (the "FSEIS") which was submitted and accepted by the Town of East Greenbush Town Board (the "Town Board"), as the lead agency with respect to SEQRA on February 15, 2017, (B) the Town Board's findings statement dated February 22, 2017 (the "Findings Statement") and (C) an environmental assessment form (the "EAF"); and

WHEREAS, by resolution adopted by the members of the Agency on April 13, 2017 (the "Final SEQR Resolution"), the Agency adopted the Findings Statement as the Agency's written Findings Statement relative to the Original Project, as required by 6NYCRR 6.17.11(c); and

WHEREAS, the Agency's Uniform Tax Exemption Policy (the "Policy") provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Original Project Facility. In connection with the Application, the Company made a request to the Agency (the "Pilot Request") that the Agency deviate from the Policy with respect to Original Project Facility. Pursuant to the resolution adopted by the members of the Agency on March 9, 2017 (the "Pilot Deviation Notice Resolution"), the members of the Agency authorized the Executive Director of the Agency to send a notice to the chief executive officers of the "Affected Tax Jurisdictions" (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on April 13, 2017. The Executive Director of the Agency caused a letter dated March 13, 2017 (the "Pilot Deviation Notice Letter") to be mailed to the chief executive officers of the Affected Tax Jurisdictions, informing said individuals that the Agency would, at its meeting on April 13, 2017, consider a proposed deviation (the "Proposed Deviation") from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Original Project Facility (the "Payment in Lieu of Tax Agreement") and the reasons for said Proposed Deviation; and

WHEREAS, by resolution adopted by the members of the Agency on April 13, 2017 (the "Pilot Deviation Approval Resolution"), the members of the Agency determined to deviate from the Agency's Policy with respect to the Original Project; and

WHEREAS, on October 12, 2017, the Agency received a revised application (the "Amended Application"), which Amended Application request the Agency to undertake the following project, which Amended Application amends the Original Project (the "Project"), for the benefit of the Company: (A) (1) the acquisition of an interest in (a) an approximately 119 acre parcel of land located at 401 Temple Lane and Lisa's Avenue (being a portion of tax map numbers 144.-3-5.1 and 144.-3-4) and (b) an approximately 10 acre parcel of land located between Temple Lane and 3rd Avenue Extension in the Town of East Greenbush,

Rensselaer County, New York (collectively, the "Land"), (2) the construction on the Land of an approximately 211,600 square foot facility with related site work and with related parking for approximately 262 vehicles (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Equipment"), all of the foregoing to constitute a warehouse for the existing pharmaceutical manufacturing facility (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, as the Amended Application increased the amount of Financial Assistance beyond \$100,000, pursuant to Section 859-a of the Act, prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on November 9, 2017 (the "Public Hearing and SEQR Resolution for Amended Project"), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on November 21, 2017 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on (1) November 22, 2017 at the East Greenbush Town Hall located at 225 Columbia Turnpike in the Town of East Greenbush, Rensselaer County, New York, and (2) November 21, 2017 on the Agency's website, (C) caused notice of the Public Hearing to be published on November 21, 2017 in The Record, a newspaper of general circulation available to the residents of the Town of East Greenbush, Rensselaer County, New York, (D) conducted the Public Hearing on December 7, 2017 at 6:00 p.m., local time at the East Greenbush Town Hall located at 225 Columbia Turnpike in the Town of East Greenbush, Rensselaer County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to SEQRA, the Original Project was the subject of the Town of East Greenbush Town Board (the "Town Board") findings statement dated February 22, 2017 (the "Findings Statement"). As the Project was included in the Findings Statement of the Original Project, the Agency determined, pursuant to the Public Hearing and SEQR Resolution for Amended Project, that the Project will be carried out in conformance with the conditions and thresholds established for such actions identified in the Findings Statement, and therefore, the Agency hereby determined that no further SEQRA compliance was required with respect to the Project; and

WHEREAS, in connection with the Amended Application, the Company made a request to the Agency (the "Amended Pilot Request") to amend the Pilot Request and by resolution adopted by the members of the Agency on November 9, 2017 (the Resolution Authorizing Sending Amended Pilot Deviation Letter") the Agency authorized the Executive Director of the Agency to send an amended notice to the Affected Tax Jurisdictions and pursuant to a letter dated November 14, 2017 (the "Amended Pilot Deviation Letter"), the Agency notified the "Affected Tax Jurisdictions" (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Amended Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on December 14, 2017 to consider a proposed deviation from the Policy with respect to the Payment in Lieu of

Tax Agreement and the reasons for said proposed deviation; a copy of which Amended Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, by the Amended Pilot Deviation Letter, the Executive Director notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Amended Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Amended Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the attached Amended Pilot Deviation Letter.

Section 3. Upon preparation by counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. 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 Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to 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 Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

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

John H. Clinton, Jr.	VOTING	<u>YES</u>
Michael Della Rocco	VOTING	<u>YES</u>
Cynthia A. Henninger	VOTING	<u>ABSENT</u>
Ronald Bounds	VOTING	<u>ABSENT</u>
Douglas Baldrey	VOTING	<u>YES</u>
James Church	VOTING	<u>YES</u>
Renee Powell	VOTING	<u>ABSENT</u>

The foregoing Resolution was thereupon declared duly adopted.

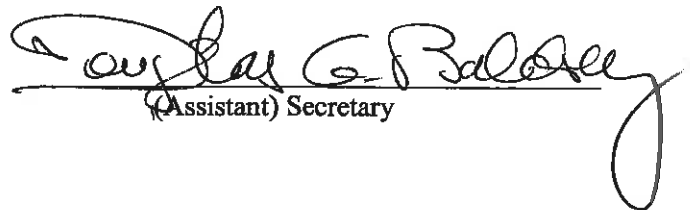
STATE OF NEW YORK)
) SS.:
COUNTY OF RENSSELAER)

I, the undersigned (Assistant) Secretary of Rensselaer County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 14, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of December, 2017.



(Assistant) Secretary

(SEAL)

EXHIBIT A

AMENDED PILOT DEVIATION LETTER

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
c/o Rensselaer County Department of Economic Development and Planning
County Office Building, 1600 Seventh Avenue
Troy, New York 12180
Tel: (518) 270-298
Fax: (518) 270-2981

November 14, 2017

VIA CERTIFIED MAIL

7017 1000 0000 5115 1672
Honorable Kathleen M. Jimino, County Executive
Rensselaer County Office Building
1600 Seventh Avenue
Troy, New York 12180

7017 1000 0000 5115 1696
Jack Conway, Supervisor
Town of East Greenbush
225 Columbia Turnpike
Rensselaer, New York 12144

7017 1000 0000 5115 1689
Jeffrey P. Simons, Superintendent of Schools
East Greenbush Central School District
29 Englewood Avenue
East Greenbush, New York 12061

7017 1000 0000 5115 1702
Dr. Shay Harrison, School Board President
East Greenbush Central School District
29 Englewood Avenue
East Greenbush, New York 12061

RE: Proposed **AMENDED** Deviation from Uniform Tax Exemption Policy by
Rensselaer County Industrial Development Agency
in connection with its Regeneron Pharmaceuticals, Inc. Warehouse Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

By letter dated March 13, 2017 (the "Initial Pilot Deviation Letter"), Rensselaer County Industrial Development Agency (the "Agency") informed you of the proposed deviation (the "Initial Deviation Request") from the Agency's uniform tax exemption policy (the "Policy") in connection with a project for the benefit of Regeneron Pharmaceuticals, Inc., a New York business corporation (the "Company"), (the "Original Project"), said Original Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 119 acre parcel of land located at 401 Temple Lane and Lisa's Avenue in the Town of East Greenbush, Rensselaer County, New York (being a portion of tax map numbers 144.-3-5.1 and 144.-3-4) (the "Original Land"), (2) the construction on the Original Land of an approximately 211,600 square foot facility with related site work and with related parking for approximately 262 vehicles (collectively, the "Original Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Original Equipment"), all of the foregoing to constitute a warehouse for the existing pharmaceutical manufacturing facility (the Original Land, the Original Facility and the Original Equipment being collectively referred to as the "Original Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the

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Original Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency. Any capitalized terms not defined herein shall have the meaning ascribed thereto in the Policy.

The Initial Deviation Request provided that the Company be granted a payment in lieu of tax agreement (the "Initial Proposed Pilot Agreement") that would be for a term of 10 years with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

PILOT Schedule Year	Total Payment
2019	\$493,121
2020	\$517,777
2021	\$543,666
2022	\$570,850
2023	\$599,392
2024	\$629,362
2025	\$660,830
2026	\$693,871
2027	\$728,565
2028	\$764,993

On October 12, 2017, the Agency received a revised application (the "Amended Application"), which Amended Application request the Agency to undertake the following project, which Amended Application amends the Original Project (the "Project"), for the benefit of the Company: (A) (1) the acquisition of an interest in (a) an approximately 119 acre parcel of land located at 401 Temple Lane and Lisa's Avenue (being a portion of tax map numbers 144.-3-5.1 and 144.-3-4) and (b) an approximately 10 acre parcel of land located between Temple Lane and 3rd Avenue Extension in the Town of East Greenbush, Rensselaer County, New York (collectively, the "Land"), (2) the construction on the Land of an approximately 211,600 square foot facility with related site work and with related parking for approximately 262 vehicles (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Equipment"), all of the foregoing to constitute a warehouse for the existing pharmaceutical manufacturing facility (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Amended Application, the Company has made a request to the Agency (the "Pilot Request") that the Agency enter into the Proposed Pilot Agreement, which terms would deviate from the Agency's Policy and which terms amend the Initial Deviation Request. The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project

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Facility. The Proposed Pilot Agreement would be for a term of ten (10) years with the Company making the payments each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

PILOT Schedule Year	New Pilot Payments (With IDA)
2019	\$532,868
2020	\$559,511
2021	\$587,486
2022	\$616,861
2023	\$647,704
2024	\$680,089
2025	\$714,093
2026	\$749,798
2027	\$787,288
2028	\$826,652

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for December 14, 2017 at 4:00 p.m., local time at the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires a thirty (30) day notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

1. **The nature of the Project:** Warehouse for pharmaceutical manufacturing facility.
2. **The present use of the property:** Raw land.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** The Town of East Greenbush neighborhood in the vicinity of the Project is commercial and residential with evidence of recent growth in both sectors. A \$1.40 multiplier effect (according to the U.S. Bureau of Economic Analysis, 2007) above the anticipated \$58.1 million Company investment is

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reasonably expected from other industry investments which will serve to further strengthen the area economy.

4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs: This Project will generate 150 permanent jobs with salaries ranging from \$40,000-\$63,000 and the equivalent of 50 temporary construction jobs at approximately \$54,000 per year.

5. The estimated value of new tax exemptions to be provided: Real property tax exemption benefit of approximately \$3,955,000 and sales tax exemption benefit of approximately \$1,064,000.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The existing annual tax payments from the Company at the Project site is \$98,021; the expansion being induced by the Proposed Pilot Agreement will result in \$6,702,350 in new tax revenue over the ensuing 10 years.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: A significant positive impact is expected given the investment by the Company and the anticipated multiplier effect.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: Given the anticipated \$58.1 million investment from the Company and a \$1.40 multiplier effect (according to the U.S. Bureau of Economic Analysis, 2007) a \$139.4 million total investment is likely by virtue of the Proposed Pilot Agreement and resulting investment by the Company.

9. The effect of the Proposed Pilot Agreement on the environment: No adverse environmental impact is expected based on the SEQRA.

10. Project Timing: The Project is expected to be completed within two years from commencement of construction.

11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services: No additional services shall be required.

12. Anticipated tax revenues: \$6,702,350 (Payment-In-Lieu of Taxes) and estimated sales taxes of \$336 thousand annually based on taxable purchases at the site.

13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: The Company, if not for the Proposed Pilot Agreement, was evaluating several different locations outside the area including warehousing agreements with suppliers, primarily in Connecticut.

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The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

Robert L. Pasinella, Jr.