

**PILOT DEVIATION APPROVAL RESOLUTION
TURNPIKE REDEVELOPMENT GROUP, LLC 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
Rence 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 D. BALDEBY, seconded by J. CHURCH, to wit:

Resolution No. 1217-13

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 TURNPIKE REDEVELOPMENT GROUP, LLC 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, in October, 2017, Turnpike Redevelopment Group, LLC, a New York limited liability company (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a portion of an approximately 14.50 acre parcel of land located at 164 Columbia Turnpike (tax map no. 155.13-21-13) in the Town of East Greenbush, Rensselaer County, New York (the "Land"), together with an approximately 123,000 square foot building located thereon (the "Facility"), (2) the renovation of approximately 96,000 square feet of the Facility and the making of related site improvements (collectively, the "Improvements") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"); all of the foregoing to constitute a facility comprised of office space and a training center and associated uses and other directly and indirectly related activities; (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 estate 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, by resolution adopted by the members of the Agency on October 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 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 "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 October 17, 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 October 17, 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 Public Hearing to be published on October 18, 2017 in The Record, a newspaper of general circulation available to the residents of Rensselaer County, New York, (D) conducted the Public Hearing on October 30, 2017 at 6:00 o'clock 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 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 October 12, 2017 (the "Preliminary SEQR Resolution"), the Agency (A) determined (1) that the Agency wished to investigate the advisability of undertaking a coordinated review with respect to the 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 Project and, if so, designating a "lead agency" with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, further pursuant to SEQRA, by resolution adopted by the members of the Agency on December 14, 2017 (the "Final SEQR Resolution"), the Agency determined (A) to conduct an uncoordinated review of the Project, (B) that the Project is an "Unlisted action" which will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project, and (C) as a consequence of the foregoing, to prepare a negative declaration with respect to the Project; and

WHEREAS, in connection with the Project, the Company requested (the "Pilot Request") that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement (the "Proposed Payment in Lieu of Tax Agreement") to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefor no fewer than thirty (30) days prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on October 12, 2017, the members of the Agency adopted a resolution (the "Resolution Authorizing the Pilot Deviation Letter") which authorized the Executive Director to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project, which proposed deviation is outlined in the letter dated November 2, 2017 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, by the 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; and

WHEREAS, as a result of discussions had by the Company with the Affected Tax Jurisdictions and the Agency, the Agency now desires to approve the Pilot Request, subject to the following modifications (collectively, the "Modifications"): (A) the term of the Proposed Payment in Lieu of Tax Agreement shall be limited to 15 years, not the original 20 years requested by the Company and (B) the Proposed Payment in Lieu of Tax Agreement shall require that the Company make the Pilot Payments as outlined in the revised Pilot Payment Schedule attached hereto as Exhibit B;

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 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 and proposes to implement the Modifications in response to said comments.

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 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 Pilot Deviation Letter, as modified by the Modifications.

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	ABSENT
Ronald Bounds	VOTING	ABSENT
Douglas Baldrey	VOTING	<u>YES</u>
James Church	VOTING	<u>YES</u>
Renee Powell	VOTING	ABSENT

The foregoing Resolution was thereupon declared duly adopted.

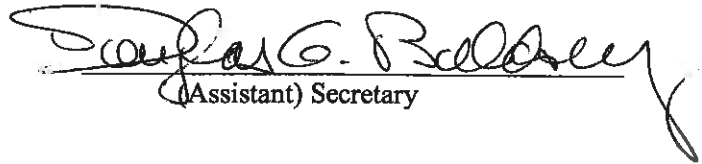
STATE OF NEW YORK)
) SS.:
COUNTY OF RENSSELAER)

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

PILOT DEVIATION LETTER

- SEE ATTACHED -

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) 270-2914
Fax: (518) 270-2981

November 2, 2017

Honorable Kathleen M. Jimino, County Executive
Rensselaer County Office Building
1600 Seventh Avenue
Troy, New York 12180

Jeffrey P. Simons, District Superintendent
East Greenbush Central School District
29 Englewood Avenue
East Greenbush, New York 12061

Jack Conway, Supervisor
Town of East Greenbush
225 Columbia Turnpike
Rensselaer, New York 12144

Michael Buono, School Board President
East Greenbush Central School District
29 Englewood Avenue
East Greenbush, New York 12061

RE: Proposed Deviation from Uniform Tax Exemption Policy by
Rensselaer County Industrial Development Agency
in connection with its Proposed Turnpike Redevelopment Group, LLC Project

Dear Ladies and Gentlemen:

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

Rensselaer County Industrial Development Agency (the "Agency") has received an application (the "Application") from Turnpike Redevelopment Group, LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a portion of an approximately 14.50 acre parcel of land located at 164 Columbia Turnpike (tax map no. 155.13-21-13) in the Town of East Greenbush, Rensselaer County, New York (the "Land"), together with an approximately 123,000 square foot building located thereon (the "Facility"), (2) the renovation of approximately 96,000 square feet of the Facility and the making of related site improvements (collectively, the "Improvements") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the "Project Facility"); all of the foregoing to constitute a facility comprised of office space and a training center and associated uses and other directly and indirectly related activities; (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 estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the

Honorable Kathleen M. Jimino, County Executive
 Jack Conway, Supervisor
 Jeffrey P. Simons, District Superintendent
 Michael Buono, School Board President
 November 2, 2017
 Page 2

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 Application, the Company has made a request to the Agency enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of 20 years with a fixed assessment of \$2,750,000, with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

Year	Pilot Payments	Description	Full Tax (Est.)	Tax Incentives-Abated Taxes
Current	\$105,837.97			
1	\$105,837.97	Construction Phase	\$105,837.97	0
2	\$105,837.97	Occupancy Commences	\$105,837.97	0
3	\$107,954.73	2% Annual Increases	\$164,327.36	\$56,372.63
4	\$110,113.83	2% Annual Increases	\$167,613.90	\$57,500.09
5	\$112,316.10	2% Annual Increases	\$170,966.18	\$58,650.10
6	\$114,562.42	2% Annual Increases	\$174,385.51	\$59,823.11
7	\$116,853.67	2% Annual Increases	\$177,873.22	\$61,019.57
8	\$120,359.28	3% Annual Increases	\$181,430.68	\$61,071.42
9	\$123,970.06	3% Annual Increases	\$185,059.29	\$61,089.25
10	\$127,689.16	3% Annual Increases	\$188,760.48	\$61,071.34
11	\$131,519.84	3% Annual Increases	\$192,535.69	\$61,015.87
12	\$135,465.43	3% Annual Increases	\$196,386.40	\$60,920.99
13	\$139,529.39	3% Annual Increases	\$200,314.13	\$60,784.76
14	\$143,715.28	3% Annual Increases	\$204,320.41	\$60,605.15
15	\$148,026.73	3% Annual Increases	\$208,406.82	\$60,380.11
16	\$152,467.54	3% Annual Increases	\$212,574.96	\$60,107.44
17	\$157,041.56	3% Annual Increases	\$216,826.46	\$59,784.92
18	\$161,752.81	3% Annual Increases	\$221,162.99	\$59,410.20
19	\$166,605.39	3% Annual Increases	\$225,586.25	\$58,980.88
20	\$171,603.56	3% Annual Increases	\$230,097.97	\$58,494.43

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.

Honorable Kathleen M. Jimino, County Executive
Jack Conway, Supervisor
Jeffrey P. Simons, District Superintendent
Michael Buono, School Board President
November 2, 2017
Page 3

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 PM, local time in the 3rd Floor Conference Room 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:** To renovate an existing structure to become office space and training facility.
2. **The present use of the property:** vacant building
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 economic condition of the Project site is below average to low, and the effect that the Project will have on the area is significant, and it is consistent with the economic development efforts of the Town of East Greenbush and the Agency. Further, the Project will act as a potential catalyst to bring to jobs and interest to an underdeveloped area of Columbia Turnpike.
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:** As projected, it is anticipated that the tenant will provide up to 25 trainers (salaries estimated to be in the \$35,000 to \$60,000 range) providing best practices for a variety of disciplines. These would include child care and welfare, juvenile issues, and domestic violence prevention. The number of weekly trainees coming from the region and across New York State is estimated to be in the 150-400 range, dependent upon course and time of year.
5. **The estimated value of new tax exemptions to be provided:** Sales Tax Exemption: \$360,000. Mortgage Recording Tax Exemption: \$138,750. Real Property Tax Exemption: as outlined on schedule in Application.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The tax revenues for each of the taxing jurisdictions will increase from either 2 or 3 percent per year during the Proposed Pilot Agreement period. Rensselaer County, as a result of sales tax revenue, will see a greater spike due to weekly expenditures by 150-400 trainees, many of whom live outside this region.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The proposed Project will not be competitive with any existing business in the Town of East Greenbush. The weekly impact of

Honorable Kathleen M. Jimino, County Executive
Jack Conway, Supervisor
Jeffrey P. Simons, District Superintendent
Michael Buono, School Board President
November 2, 2017
Page 4

150-400 new people in the area, many of whom will come from outside our immediate region, will provide new income primarily for immediate East Greenbush businesses dealing with food, beverage, hostelry, and gasoline services.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: The Company anticipates investing \$15,550,000 into the development of this Project.

9. The effect of the Proposed Pilot Agreement on the environment: None.

10. Project Timing: It is anticipated that this Project will be completed in a timely manner.

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: Due to the fewer number of people - compared to the previous commercial Kmart shopping center - using the facility, the impact on all addition services should be reduced and requires no additional demand.

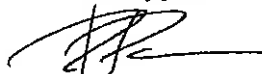
12. Anticipated tax revenues: The Company will pay \$2,653,222.72 in property/school taxes over the term of the Proposed Pilot Agreement.

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 Project is consistent with the Town of East Greenbush's overall development and revitalization efforts.

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.
Executive Director

EXHIBIT B

REVISED PILOT PAYMENT SCHEDULE

Revised PILOT Schedule	
Year	Total Payments
Current	\$105,837.97
1	\$105,837.97
2	\$105,837.97
3	\$111,129.87
4	\$116,686.36
5	\$122,520.68
6	\$128,646.71
7	\$135,079.05
8	\$141,833.00
9	\$148,924.65
10	\$156,370.88
11	\$164,189.43
12	\$172,398.90
13	\$181,018.85
14	\$190,069.79
15	\$199,573.28