

**PILOT DEVIATION NOTICE RESOLUTION  
QUESTAR SCHODACK 2018, LLC PROJECT**

A regular meeting of Rensselaer County Industrial Development Agency (the "Agency") was convened in public session 3rd Floor Conference Room at the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York on June 8, 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
Cynthia A. Henninger	Secretary/Treasurer
Ronald Bounds	Assistant Secretary/Treasurer
Douglas Baldrey	Member
James Church	Member
Michael Della Rocco	Member
Renee Powell	Member

ABSENT:

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 Cynthia Henninger, seconded by Douglas Baldrey, to wit:

Resolution No. 0617-06

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED QUESTAR SCHODACK 2018, 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 May, 2017, Questar Schodack 2018, 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 10.25 acre parcel of land located at 1710 Schodack Valley Road in the Town of Schodack, Rensselaer County, New York (being a portion of tax map numbers 189.-10-40.131 and 189.-10-40.132) (the “Land”), (2) the construction on the Land of an approximately 60,675 square foot building and related infrastructure (collectively, the “Facility”) and (3) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the “Equipment”), all of the foregoing to constitute an educational facility to be leased to and operated by Rensselaer-Columbia-Greene BOCES (the “Tenant”) (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 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, the Agency’s Uniform Tax Exemption Policy (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; and

WHEREAS, by resolution adopted by the members of the Agency on May 11, 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 May 18, 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 May 19, 2017 at the Schodack Town Hall located at 265 Schuurman Road in the Town of Schodack, Rensselaer County, New York, as well as on the Agency’s website on May 18, 2017, (C) caused notice of the Public Hearing to be published on May 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 June 1, 2017 at 10:00 o'clock a.m., local time at the Schodack Town Hall located at 265 Schuurman Road in the Town of Schodack, 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 May 11, 2017 (the "Preliminary SEQR Resolution"), the Agency (A) determined (1) that the Project involves more than one "involved agency", and (2) 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, in connection with the Application, the Company has made a request to the Agency (the "Pilot Request") that the Agency deviate from its Policy with respect to real property tax payments, said proposed deviation as outlined in the attached pilot deviation letter; and

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

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

Section 1. Having considered both the Application and the Pilot Request, the Agency hereby authorizes the Executive Director of the Agency to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from its uniform tax exemption policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit A), and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. 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	YES
Cynthia A. Henninger	VOTING	YES
Ronald Bounds	VOTING	YES
Douglas Baldrey	VOTING	YES
James Church	VOTING	ABSTAIN
Michael Della Rocco	VOTING	YES
Renee Powell	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

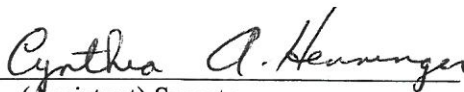
STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF RENSSELAER            )

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 June 8, 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 8<sup>th</sup> day of June, 2017.

  
\_\_\_\_\_  
(~~Assistant~~) Secretary

(SEAL)

EXHIBIT A  
PROPOSED FORM OF 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) 270-2914  
Fax: (518) 270-2981

June \_\_, 2017

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

Jeffrey Simons, Superintendent of Schools  
East Greenbush Central School District  
29 Englewood Avenue  
East Greenbush, New York 12061

Dennis Dowds, Supervisor  
Town of Schodack  
265 Schuurman Road  
Castleton, New York 12033

Dr. Shay Harrison, 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 Questar Schodack 2018, LLC Project

Dear Ladies and Gentlemen:

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

In May, 2017, Rensselaer County Industrial Development Agency (the "Agency") received an application (the "Application") from Questar Schodack 2018, 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 10.25 acre parcel of land located at 1710 Schodack Valley Road in the Town of Schodack, Rensselaer County, New York (being a portion of tax map numbers 189.-10-40.131 and 189.-10-40.132) (the "Land"), (2) the construction on the Land of an approximately 60,675 square foot building and related infrastructure (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the "Equipment"), all of the foregoing to constitute an educational facility to be leased to and operated by Rensselaer-Columbia-Greene BOCES (the "Tenant") (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 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.

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 the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

<b>Tax Year</b>	<b>PILOT Savings %</b>	<b>Est. Taxes Saved</b>	<b>Est. PILOT Payments</b>
1	50.00%	\$194,628	\$194,628
2	50.00%	\$194,628	\$194,628
3	45.00%	\$175,165	\$214,091
4	45.00%	\$175,165	\$214,091
5	40.00%	\$155,702	\$233,553
6	40.00%	\$155,702	\$233,553
7	35.00%	\$136,239	\$253,016
8	35.00%	\$136,239	\$253,016
9	30.00%	\$116,777	\$272,479
10	30.00%	\$116,777	\$272,479
11	25.00%	\$97,314	\$291,942
12	25.00%	\$97,314	\$291,942
13	20.00%	\$77,851	\$311,405
14	20.00%	\$77,851	\$311,405
15	15.00%	\$58,388	\$330,867
16	15.00%	\$58,388	\$330,867
17	10.00%	\$38,926	\$350,330
18	10.00%	\$38,926	\$350,330
19	5.00%	\$19,463	\$369,793
20	5.00%	\$19,463	\$369,793

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 July 13, 2017 at 4:00 o’clock, local time at the offices of the Agency located 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:** Educational facility.
2. **The present use of the property:** Vacant.
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:** \_\_\_\_\_.
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:** \_\_\_\_\_.
5. **The estimated value of new tax exemptions to be provided:** \_\_\_\_\_.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** \_\_\_\_\_.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** \_\_\_\_\_.
8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** \_\_\_\_\_.
9. **The effect of the Proposed Pilot Agreement on the environment:** \_\_\_\_\_.
10. **Project Timing:** \_\_\_\_\_.
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:** \_\_\_\_\_.
12. **Anticipated tax revenues:** \_\_\_\_\_.
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 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