PILOT DEVIATION NOTICE RESOLUTION TO AMEND PILOT GREENBUSH ASSOCIATES, LLC (31 TECH VALLEY) 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 July 8, 2021 at 4:00 o'clock p.m., local time.

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

PRESENT:

Cynthia A. Henninger	Chair
Michael Della Rocco	Vice Chair
Ronald Bounds	Secretary/Treasurer
Douglas Baldrey	Member
John H. Clinton, Jr.	Member

ABSENT:

Renee Powell	Member

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Robert L. Pasinella, Jr.	Executive Director
Robin LaBrake	Assistant
Peter R. Kehoe, Esq.	Agency Counsel
John E. Sweeney, Esq.	Special Agency Counsel
Nadene E. Zeigler, Esq.	Special Counsel

The following resolution was offered by Ronald Bounds, seconded by John H. Clinton, Jr., to wit:

Resolution No. 0721-07

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 GREENBUSH ASSOCIATES, LLC (31 TECH VALLEY) PROJECT (THE "COMPANY").

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, on February 27, 2006 (the "Closing"), the Agency undertook the following project (the "Project") for the benefit of Greenbush Associates, LLC (the "Company") consisting of the following: (A) (1) the acquisition of an interest in an approximately 6.2 acre parcel of land located at Tech Valley Drive in the East Greenbush Technology Park in the Town of East Greenbush, Rensselaer County, New York (the "Land"), (2) the construction of an approximately 62,856 square foot facility on the Land (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"); all of the foregoing to constitute Phoenix Home Life Mutual Insurance Company's (the "Tenant") New York statutory headquarters for insurance and related business (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 sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to a lease agreement dated as of February 1, 2006 (the "Lease Agreement") by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of February 1, 2006 (the "Underlying Lease") by and between the Company, as landlord and the Agency, as tenant pursuant to which the Company leased to the Agency the Land and all improvements now or hereafter located on the land (collectively, the "Premises") for a lease term ending on December 31, 2016, and (2) a bill of sale dated as of February 1, 2006 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of February 1, 2006 (the "Original Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (C) the Agency filed with the assessor and mailed to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Original Payment in Lieu of Tax Agreement and (D) the Agency executed and delivered to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") (the above-enumerated documents being collectively referred to as the "Basic Documents"); and

WHEREAS, the Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of August 1, 2013 (the "First Amendment to Payment in Lieu of Tax Agreement" and collectively with the Original Payment in Lieu of Tax Agreement, the "Payment in Lieu of Tax Agreement"); and

WHEREAS, the Company has made a request to the Agency (the "Pilot Request") that the Agency amend the Payment in Lieu of Tax Agreement pursuant to a second amendment to payment in lieu of tax agreement (the "Second Amendment to Payment in Lieu of Tax Agreement") by and between the Agency and the Company; and

WHEREAS, the Second Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency's uniform tax exemption policy (the "Policy"), said deviation as outlined in Exhibit A attached hereto and as outlined by the Executive Director of the Agency at this meeting; and

WHEREAS, pursuant to the representations made to the Agency by the Company, the Agency will not provide to the Company more than $100,000 of Financial Assistance with respect to the Second Amendment to Payment in Lieu of Tax Agreement; therefore, Section 859-a of the Act does not require a public hearing be held with respect to the Second Amendment to Payment in Lieu of Tax Agreement; 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 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") prior written notice of the proposed deviation from the Agency's Policy and the reasons therefor; 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, 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to enter into the Second Amendment to Payment in Lieu of Tax Agreement (the "Amendment"); and

WHEREAS, pursuant to SEQRA, the Agency has examined the Amendment in order to make a determination as to whether the Amendment is subject to SEQRA, and it appears that the Amendment constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Amendment, the Agency hereby determines that the Amendment constitutes a "Type II action" pursuant to 6 NYCRR 617.5(26), and therefor that, pursuant to 6 NYCRR 617.6(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment.

Section 2. Having considered the Company's Pilot Request, the Executive Director, is hereby authorized to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions (A) informing them that the Agency is considering a proposed deviation, as outlined in Exhibit A and as outlined by the Executive Director of the Agency at this meeting, from its Policy with respect to the Project and the reasons therefor and (B) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 3. The Chair, Vice Chair and/or Executive Director of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. 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:

Cynthia A. Henninger	VOTING	YES
Michael Della Rocco	VOTING	YES
Ronald Bounds	VOTING	YES
Douglas Baldrey	VOTING	YES
John H. Clinton, Jr.	VOTING	YES
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 July 8, 2021 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 8th day of July, 2021.

Ronald W. Barends
(~~Assistant~~) Secretary

(SEAL)

EXHIBIT A

PROPOSED FORM OF PILOT DEVIATION LETTER

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development & Planning
Rensselaer County Office Building
1600 Seventh Avenue
Troy, New York 12180
TEL: (518) 270-2914
FAX: (518) 270-2981

July ___, 2021

Steven F. McLaughlin, County Executive
Rensselaer County Office Building
1600 Seventh Avenue
Troy, New York 12180

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

Jack Conway, Town Supervisor
Town of East Greenbush
East Greenbush Town Hall
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

Susan F. McCarthy, Assessor
East Greenbush Town Hall
225 Columbia Turnpike
Rensselaer, New York 12144

RE: Rensselaer County Industrial Development Agency
Proposed Deviation from Uniform Tax Exemption Policy
Greenbush Associates, LLC (31 Tech Valley) Project

Dear Ladies and Gentlemen:

On February 27, 2006, Rensselaer County Industrial Development Agency (the "Agency") undertook the following Project (the "Project") for the benefit of Greenbush Associates, LLC (the "Company"), said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 6.2 acre parcel of land located at Tech Valley Drive in the East Greenbush Technology Park in the Town of East Greenbush, Rensselaer County, New York (the "Land"), (2) the construction of an approximately 62,856 square foot facility on the Land (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"); all of the foregoing to constitute Phoenix Home Life Mutual Insurance Company's (the "Tenant") New York statutory headquarters for insurance and related business (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 sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to a lease agreement dated as of February 1, 2006 (the "Lease Agreement") by and between the Company and the Agency.

Pursuant to a lease to Agency dated as of February 1, 2006 (the "Underlying Lease") by and between the Company and the Agency, on or about February 26, 2006, the Agency acquired a leasehold interest in the Land.

Simultaneously with the Closing, (A) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of February 1, 2006 (the "Original Payment in Lieu of Tax Agreement"), as amended in August, 2013 pursuant to a first amendment to payment in lieu of tax agreement dated as of August 1, 2013 (the "First Amendment to Payment in Lieu of Tax Agreement" and collectively with the Original Payment in Lieu of Tax Agreement the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility and (B) the Agency filed with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Payment in Lieu of Tax Agreement. The Payment in Lieu of Tax Agreement provides that the Company make the following payments for the term of the Payment in Lieu of Tax Agreement (the earlier to occur of (1) December 31, 2023 or (2) the date on which the Project Facility is reconveyed by the Agency to the Company pursuant to the Lease Agreement) as follows:

Tax Year	Payment in lieu of taxes	Current Rate
2017	$93,504.00	2%
2018	$95,375.00	2%
2019	$97,282.00	2%
2020	$99,228.00	2%
2021	$101,212.00	2%
2022	$103,236.00	2%
2023	$105,301.00	2%
2024 and thereafter during the term of the Payment in Lieu of Tax Agreement	Full Taxes	

The Company has requested that the Agency consider an amendment to the Payment in Lieu of Tax Agreement (the "Second Amendment to Payment in Lieu of Tax Agreement").

The proposed term of the Second Amendment to Payment in Lieu of Tax Agreement would not provide any abatements for any special assessments levied on the Project Facility. The proposed term of the Second Amendment to Payment in Lieu of Tax Agreement would generally provide that the Company will make the following payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

Tax Year	Payment in lieu of taxes	Current Rate
2017	$93,504.00	2%
2018	$95,375.00	2%
2019	$97,282.00	2%

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2020	$99,228.00	2%
2021	$101,212.00	2%
2022	$53,236.00	
2023	$55,301.00	
2024 and thereafter during the term of the Payment in Lieu of Tax Agreement	Full Taxes	

The terms of the First Amendment to Payment in Lieu of Tax Agreement deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). Normally, under the Agency's Policy for this type of facility, 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 deviation and that the Agency is considering the terms of the Second Amendment to Payment in Lieu of Tax Agreement. The Agency expects to consider whether to approve the terms of the Second Amendment to Payment in Lieu of Tax Agreement at its meeting scheduled for August 12, 2021 at 4:00 o'clock, p.m., local time at the offices of the Agency located 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 prior to the Agency taking final action with respect to the Second Amendment to Payment in Lieu of Tax Agreement.

The reasons the Agency is considering deviating from its Policy with respect to the Project are as follows:

1. **The nature of the Project:** the construction of the Facility.

2. **The present use of the property:** The Facility is complete and is being leased to various tenants for use as office and security and intelligence resource center.

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 Company originally developed 5 separate buildings in the East Greenbush Technology Park (the "Tech Park") and currently owns and operates 4 of the 5 buildings. The buildings within the East Greenbush Tech Park owned by the Company range from 60,000 square feet to 92,000 square feet of office, research, lab, warehouse, light manufacturing and light assembly space and are identified as 15, 30, 31, and 33 Tech Valley Drive, East Greenbush, New York (the "Buildings"). There are no less than eleven (11) tenants with existing businesses that occupy the Buildings at the Tech Park. The Building tenants collectively employ approximately 700 employees. Many of the companies within the park are computer driven, pharmaceutical, scientific, and research based. In 2020-2021 the Company has invested over $1.6 Million for improvements to the Buildings so that the Tech Park and businesses can remain modern, state of the art and competitive. The Tech Park, with the help of the Town of East Greenbush and the Rensselaer County IDA, has created a dynamic business environment with a predictable and competitive tax base resulting in the retention of existing tenant jobs as well as an increase in new high tech jobs within the Tech Park. Greenbush Associates LLC is making efforts to retain existing and attract new tenants within

the Tech Park to keep tenants' Capital District footprint in the Tech Park and the Town of East Greenbush.

The economic multiplier effect for the improvements is estimated at 2 times the investment ($3.2 Million) or $4.2 Million (manufacturing business multiplier is 2.6 times while the multiplier for professional and service business is 1.6 according to the U.S. Bureau of Economic Analysis, Annual Input-Output Tables). Without the investment to accommodate the growing needs of the tenants and given the nature of this competitive market, tenants could leave the Tech Park and invest in another 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:** The tenants in 31 Tech Valley employ approximately 238 full time workers. (See annual Report for 2020). It is expected that the investment will result in the retention of these existing jobs. As Landlord, the Company is not privy to the range of workers' salaries for the employees. There will be approximately twenty-five (25) new construction jobs associated with the improvements.

5. **The estimated value of new tax exemptions to be provided:** Real property $80,000.

6. **The economic impact of the Second Amendment to Payment in Lieu of Tax Agreement on affected tax jurisdictions:** Although the affect tax jurisdictions will be receiving less of a payment for years 2022 and 2023 they received the full amounts under the Payment in Lieu of Tax Agreement.

7. **The impact of the Second Amendment to Payment in Lieu of Tax Agreement on existing and proposed businesses and economic development projects in the vicinity:** The proposed Second Amendment to Payment in Lieu of Tax Agreement will encourage both the retention of existing jobs and the creation of new jobs by tenants within the Tech Valley Drive buildings. The benefit to the East Greenbush vicinity is retaining Tenants and their employees and growing Tenant businesses creating new employees – all of whom utilize the services of local East Greenbush businesses.

8. **The amount of private sector investment generated or likely to be generated by the Second Amendment to Payment in Lieu of Tax Agreement:** A $1.3 Million investment by the Company which will increase in connection with necessary tenant fit-up work for portions of the Buildings currently unoccupied.

9. **The effect of the Second Amendment to Payment in Lieu of Tax Agreement on the environment:** None.

10. **Project Timing:** The Project is completed.

11. **The extent to which the Second Amendment to Payment in Lieu of Tax 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 required.

12. **Anticipated Tax Revenues:** The Buildings will continue to generate revenue under the terms of the Second Amendment to Payment in Lieu of Tax Agreement and the special taxing districts. In addition, there will be income tax generated from construction work completed at the Buildings and it is anticipated that the additional workers located in the Tech Park will shop and dine in East Greenbush and Rensselaer County, thus generating additional spin-off sales tax and income tax.

13. The extent to which the Second Amendment to Payment in Lieu of Tax Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: The Company is currently paying taxes via the Payment in Lieu of Tax Agreement. However, due to the COVID-19 Pandemic, the market for leasing office space in the Capital District has stagnated and regressed. Investment is being made to ensure tenants in the Tech Park are accommodated and enticed to remain and grow in the East Greenbush Tech Park. However, the company would like a reduction in the current PILOT payments for years 2022 and 2023 to offset the depressed market and our additional investment in the Tech Park.

The Agency will consider the Project and the Second Amendment to Payment in Lieu of Tax Agreement (and the proposed deviation from its 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.

Sincerely yours,

Robert L. Pasinella, Jr.