

**PILOT DEVIATION NOTICE RESOLUTION
GREENBUSH HOTELS II, LLC PROJECT**

A regular meeting of Rensselaer County Industrial Development Agency (the "Agency") was convened in public session in the 3rd Floor Conference Room of the Quackenbush Building located at 333 Broadway in the City of Troy, Rensselaer County, New York on July 13, 2023 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:

Justin Law, Esq.	Chairman
Matthew Polsinello	Vice Chairman
Cory Jones	Secretary/Treasurer
Justin Buchanan	Member
Frank Lewandusky	Member

ABSENT:

John H. Clinton, Jr.	Assistant Secretary/Treasurer
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AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Robert L. Pasinella, Jr.	Executive Director
Melissa Gregware	Secretary to the Director
Robin LaBrake	Assistant
John E. Sweeney, Esq.	Agency Counsel
Peter R. Kehoe, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by Frank Lewandusky, seconded by Matthew Polsinello, to wit:

Resolution No. 0723-06

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 GREENBUSH HOTELS II, 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 March, 2023, Greenbush Hotels II, LLC, a New York State 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, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) continuing interest in an approximately 2.65 acre parcel of land located at 3 Tech Valley Drive (Tax Map #155.-6-1.222) in the Town of East Greenbush, Rensselaer County, New York (the “Land”), together with the existing 3 story building totaling approximately 57,261 square feet of space located thereon (the “Facility”), (2) the renovation and redevelopment of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company as a hotel and small meeting facility and any 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 April 13, 2023 (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 April 28, 2023 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located; (B) caused notice of the Public Hearing to be posted on April 28, 2023 on a public bulletin board located at the East Greenbush Town Hall located at 225 Columbia Turnpike in the Town of East Greenbush, Rensselaer County, New York and on the Agency’s website; (C) caused notice of the Public Hearing to be published on April 29, 2023 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 May 9, 2023 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; (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 Hearing Report to be made available to the members of the Agency and (F) caused a copy of the Certified Public Hearing Resolution to be sent via certified mail, return receipt requested on July 7, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 a resolution adopted by the members of the Agency on July 13, 2023 (the "SEQR Resolution"), the Agency determined that the Project constituted a "Type II action" (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the "Pilot Request") to deviate from its uniform tax exemption policy (the "Policy") with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the "Proposed Pilot Agreement"); and

WHEREAS, pursuant to the Pilot Request, the Proposed Pilot Agreement would be for a term of 15 years with current taxes on the Land and the Facility to be fixed for the first five (5) years, being in the amount of \$231,119.00 and then increasing 2% per year for the remainder of the term of the Proposed Pilot Agreement; and

WHEREAS, 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, pursuant to Section 874(4) of the Act and the Agency's Policy, 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") no fewer than thirty (30) days 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;

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:

Justin Law, Esq.	VOTING	ABSTAIN
Matthew Polsinello	VOTING	YES
Cory Jones	VOTING	YES
John H. Clinton, Jr.	VOTING	ABSENT
Justin Buchanan	VOTING	YES
Frank Lewandusky	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

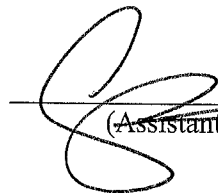
STATE OF NEW YORK)
) SS.:
COUNTY OF RENSSELAER)

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 July 13, 2023 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.

13th IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this day of July, 2023.



(Assistant) Secretary

(SEAL)

EXHIBIT A
PROPOSED FORM OF PILOT DEVIATION LETTER

DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: JULY 13, 2023

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
333 Broadway
Quackenbush Building
Troy, New York 12180
Tel: (518) 270-2914
Fax: (518) 270-2981

July ____, 2023

Hon. Steven F. McLaughlin, County Executive
Rensselaer County
99 Troy Road
East Greenbush, New York 12061

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

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

Michael Buono, 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
Greenbush Hotels II, LLC Project

Dear Ladies and Gentlemen:

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

In March, 2023, Rensselaer County Industrial Development Agency (the "Agency") received an application (the "Application") from Greenbush Hotels II, 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) continuing interest in an approximately 2.65 acre parcel of land located at 3 Tech Valley Drive (Tax Map #155.-6-1.222) in the Town of East Greenbush, Rensselaer County, New York (the "Land"), together with the existing 3 story building totaling approximately 57,261 square feet of space located thereon (the "Facility"), (2) the renovation and redevelopment of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a hotel and small meeting facility and any 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.

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 15 years with current taxes on the Land and the Facility to be fixed for the first five (5) years, being in the amount of \$231,119.00 and then increasing 2% per year for the remainder of the term of the Proposed Pilot Agreement.

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 September 14, 2023 at 4:00 o'clock p.m., local time at the offices of the Agency located in the 3rd Floor Conference Room of 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:** Full renovation to comply with 2023 brand standards and specifications of a currently operating hotel.
- 2. The present use of the property:** The Land is currently used as an upscale Marriott hotel with meeting space.
- 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 Property being in excess of fifteen years old is no longer compliant with extended stay hotel brand standards due to its age. The \$3,500,000 investment is needed to bring up to current standards and provide a more compatible location for the local residents and business travelers' needs.
- 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:** twelve full-time jobs will be retained with a salary range of \$75,000 to \$33,000.
- 5. The estimated value of new tax exemptions to be provided:** Sales tax exemption: \$160,000 and real property tax exemption: \$1,444,793.49.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: This large investment will allow us to attract more visitors and tourists to Rensselaer County and generate additional sales and occupancy tax for Rensselaer County.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: This facility aligns with Rensselaer County’s objective of attracting business and tourism. This will provide a critical mid-price option for the business traveler and allow for leisure groups – social, weddings, youth sports a place to stay while in the area.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$2,075,000 of owner capital will be contributed towards the project with the \$1,425,000 in institutional debt.

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

10. Project Timing: expected to be completed by December, 2024.

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: _____.

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: Rensselaer County Industrial Development Agency is the only available economic development option for the location of this property.

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