

Chairman
Kevin O'Bryan

Vice-Chair
Steve Bouchey

Board Members

Hon. Dean Bodnar

Mr. Paul Carroll

Hon. Robert Doherty

Louis Anthony

Lisa Kyer

Tina Urzan

Troy
Industrial Development
Authority

BOARD OF DIRECTORS MEETING
April 10, 2015
10:00 a.m.

Planning Department Conference
Room

City Hall

A G E N D A



- I. Approval of Minutes from the March 20, 2015 board meeting.
- II. 273 River Street (Bill)
- III. The Gordon Companies Initial Resolution – 548 Campbell Avenue (Bill)
- IV. Kennedy Park survey (Bill)
- V. PARIS Report
- VI. Financials (Joe)
- VII. New Business
- VIII. Old Business
- IX. Adjournment

City of Troy
Industrial Development Authority

March 20, 2015
10:30 AM
Meeting Minutes

Present: Kevin O'Bryan, Bill Dunne, Steve Bouchey, Lou Anthony, Tina Urzan, Hon. Dean Bodnar, and Kathy Ceitek

Absent: Paul Carroll, Lisa Kyer and Hon. Robert Doherty

Also in attendance: Justin Miller, Paul Goetz, Andrew Piotrowski, Tom Rossi, Selena Skiba, Ken Crowe, Sharon Martin, Joe Baniak and Denee Zeigler

The Chairman called the meeting to order at 10:30 a.m.

I. Public Hearing - South Lake Avenue Associates, LLC

(please see attached Public Hearing Agenda for minutes)

Tina Urzan made a motion to close the public hearing portion of the meeting.

Steve Bouchey seconded the motion, motion carried.

II. Minutes from the February 13, 2015 board meeting

The board reviewed the minutes from the January 13, 2015 board meeting. Justin Miller advised that Prout Street should be updated to Prout Ave. and asked that the minutes and resolution be updated to reflect this.

Lou Anthony made a motion to approve the January 13, 2015 meeting minutes with the above noted corrections.

Hon. Dean Bodnar seconded the motion, motion carried.

III. South Lake Avenue Associates – Authorizing Resolution

The Chairman asked the board if there were any other questions related to Tom Rossi's project on South Lake Ave and Prout Ave. Tina Urzan asked Mr. Rossi how his other projects were coming along. Mr. Rossi advised the Watervliet project is currently underway and they hired a construction company for that job. Mrs. Urzan asked when that building will be ready for people to move in. He advised the Fall of 2015. (See attached Authorizing Resolution 03/15 #1)

Hon. Dean Bodnar made a motion to approve the Authorizing Resolution for South Lake Avenue Associates, LLC.

Lou Anthony seconded the motion, motion carried.

The Chairman commented on the process of PILOT applications and advised going forward, the board will have an opportunity to review the final PILOT and make comments before the public meeting.

IV. Audit Presentation by SaxBST

Paul Goetz from SaxBST presented the IDA audit. He advised that they have worked with over 30 agencies, small and large, over the years. We have been the auditors for the past six years. Mr. Goetz advised that he will be walking the board through the DRAFT audit and explained it is labeled DRAFT, pending board approval. Once it is approved by the board and the representation letter is created by Joe Mazzariello, it will be uploaded to the NYS ABO website.

Mr. Goetz advised the board to take a look at the third page of the auditor's report. It indicates that the board received an unqualified opinion, which is the highest level of assurance an auditor can give. He went over the statement of net position or balance sheet as of 12/31/2014 and 12/31/2013. Mr. Goetz pointed out some highlights for 2014. He indicated receivables that were due back to the City of Troy for PILOT pass through payments. He also noted the amount due from other governments different than 2013.

Mr. Goetz went over the revenues and expenses. The first item, administrative fees, shows the amount received by all six of the approved projects. The second item is the grant revenue. It shows the amount due from The City of Troy for reimbursement of the 273 Riverfront Park Access project. He advised that the City is in the process of applying for the reimbursement money. The next item is on the expense side, economic development is listed. He advised that the amount has gone up considerably due to the Riverfront Park Access Park project. Mr. Goetz explained that the administrative support line is for reimbursement of staffing and has gone up. Another item to review is bad debts. He advised that the amount for doubtful accounts was increased in 2014. For operating expenses, it shows a loss of about \$300,000 for 2014-principally due to the economic development activity. Mr. Goetz advised that the remainder of the report consists of footnotes that are meant to give additional information. He advised the board to take a look at note 4 on page 9, describes the loans receivable and the doubtful accounts. He also brought attention to note 5 that takes about the transactions that occurred between the City and the IDA for Riverfront Park Access project. Mr. Goetz noted that note 7 on page 10, the commitments are listed. He noted a construction contract that was approved at the end of 2014 where additional funding will be spent in 2015. He also explained that, as auditors, they are responsible for transactions that occur up until the statements are approved. Mr. Goetz advised that a subsequent event took place in 2015 with regards to the Mlock site. He advised that we expended some funds for an easement and land option agreement that is good for two years. Steve Bouchey asked if everything looked like it was in line and asked if there were any areas we could improve. Mr. Goetz said that overall it was good. We gather a lot of our information from the meeting minutes and from the website. It is a bit robust, but it contains a lot of information for the public to see. The Chairman asked if there were any additional questions.

Steve Bouchey made a motion to approve the DRAFT audit report prepared by SaxBST.

Tina Urzan seconded the motion, motion carried.

V. Adjournment for CRC audit presentation

The board adjourned the IDA portion of the meeting at 11:01 a.m.

Steve Bouchey made the motion to adjourn the IDA portion of the meeting.

Tina Urzan seconded the motion, motion carried.

Steve Bouchey made a motion to reconvene the IDA portion of the meeting.

Hon. Dean Bodnar seconded the motion, motion carried.

The board reconvened the IDA meeting at 11:08 a.m.

VI. PARIS report

Bill Dunne spoke about the PARIS report that will be due to the NYS ABO on March 31st. He noted that we are currently working on the job creation numbers and will be reviewing the information received back from the projects to ensure that they are clear and concise. Mr. Dunne added that they will be comparing their current numbers with their original projections. The Chairman advised that he would like the board to be aware of the job employment, creation and retention that is created as a result of the IDA projects. It is very important that they have the information in the event the public has a question for them about it. Mr. Bouchey agreed with the Chairman that they should all be as informed as possible. The Chairman asked that Mr. Dunne do a final review of the PARIS report before it is submitted.

Steve Bouchey made a motion to accept the PARIS report pending final reviews and updates by Bill Dunne.

Hon. Dean Bodnar seconded the motion, motion carried.

VII. Financials

Andrew Piotrowski advised the board that there has been a change to the balance sheet. He advised going forward there will be two separate cash items; the regular savings account and one listed as restricted cash. The restricted cash will be the amount that will be going to be paid to the City for PILOT payments. Mr. Piotrowski also noted that the accounts receivable is negative for the month of March because of the way the PILOT invoices are set up in the system. All of the payments are due March 1st, so they were paid out in February. The due from other governments is the amount due from the City as part of the CFA grant. Mr. Piotrowski advised that the accounts payable is made up of legal bills that are due. The operating statement does not show much activity but did point out the architectural and engineering services are professional services related to Riverfront Park Access and the easements for the Mlock property. The Chairman asked if there were any questions regarding the financials.

Hon. Dean Bodnar asked if administrative fee income meet our expectations in 2014 and if we had as many projects as we thought we would for the year. Mr. Dunne advised that the project fees were probably a little lower due to construction times being a little slower than anticipated. He added that a lot of it will come through for 2015. Mr. Bodnar expressed concern that the project at

the Marvin Neitzel building would not move forward. Mr. Dunne advised that he has been in touch with the owners and they will be having the closing at the end of the month.

**Steve Bouchey made a motion to approve the financials.
Hon. Dean Bodnar seconded the motion, motion carried.**

VIII. New Business

Insurance Policy - Mr. Dunne advised that a question came up recently about insurance requirements for IDA projects. He advised one of the recipients of benefits had a significant impact on their insurance premiums after adding the IDA as a named insured on their policy and questioned if we could be listed as an additionally insured. Mr. Dunne asked if the board would be comfortable in changing our position to say that we can be listed as an additionally insured rather than a named insured. Mr. Dunne raised the question if we are listed as a named insured, is the insuring company responsible for the additional operations of our entity. The Chairman advised that that change does not impose a greater risk to the IDA. Mr. Miller advised that historically, projects were set up as a sales leaseback where we would take title of the property and then lease it back to the company for the term of the PILOT. The process has changed over the years to a lease-leaseback, in which the IDA does not take fee title of the property. We still have an interest in insurance, but for property insurance, being listed as an additionally insured is enough. Currently, this board does not have an insurance policy. Mr. Miller spoke about Erie County's IDA and the changes they made to their insurance requirements for IDA projects. Mr. Miller advised we can come up with a policy that can be used as a guideline. Steve Bouchey clarified that legally we are not bound to require it, but have been doing it. He added that the IDA is as protected when listed as additionally insured as when listed as named insured, but will be less of a financial burden for the recipients. Mr. Miller advised that is correct. He added that City Station was a little different because of the several different pieces of land that were involved. Mr. Bouchey noted that this is a good opportunity to clean up policies. Mr. Dunne advised that it could be written to allow for changes to be made depending on the nature of the project. The Chairman advised that we can review it at the next meeting.

Meeting Time change – Bill Dunne advised there was some interest in changing the meeting time to 10:00 a.m. going forward. The Chairman noted that the LDC meetings have been getting over earlier and it leaves a long break between meetings. He has spoken with everyone individually and has come up with only one conflict.

**Steve Bouchey made a motion to approve the change of meeting time to 10:00 a.m going forward.
Tina Urzan opposed.
5 Approved 1 Opposed 3 Absent, motion carried.**

New Board member – Bill Dunne wanted to welcome Kathy Cietek as an official board member.

IX. Adjournment

The IDA meeting was adjourned at 11:26 p.m.

**Steve Bouchey made the motion to adjourn the meeting.
Tina Urzan seconded the motion, motion carried.**

DRAFT

PUBLIC HEARING AGENDA
TROY INDUSTRIAL DEVELOPMENT AUTHORITY
SOUTH LAKE AVENUE ASSOC., LLC

MARCH 20, 2015, AT 10:30 A.M.
CITY HALL, 433 RIVER STREET, 5TH FLOOR, TROY, NEW YORK 12180

Report of the public hearing of the Troy Industrial Development Authority (the “Authority”) regarding the South Lake Avenue Assoc., LLC Project held on Friday August 8 2014, 10:30 a.m., at the Troy City Hall, located at 433 River Street, 5th Floor, Troy, New York 12180.

I. ATTENDANCE

Kevin O’Bryan, Chairman
Steve Bouchey, Vice Chairman
William Dunne, Authority CEO
Hon. Dean Bodnar, Board Member
Tina Urzan, Board Member
Lou Anthony, Board Member
Kathy Cietek, Board Member
Justin S. Miller, Esq., Authority Transaction Counsel
Tom Rossi, Company Representative
Paul Goetz, Sax BST
Andy Piotrowski, Comptroller’s office
Selena Skiba, Comptroller’s office
Sharon Martin, Assessor
Joe Baniak, Resident
Ken Crowe, Times Union

II. CALL TO ORDER: (Time: 10:30 a.m.). Kevin O’Bryan opened the hearing and Justin Miller, Esq. read the following into the hearing record:

This public hearing is being conducted pursuant to Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (collectively, the “Act”). A Notice of Public Hearing describing the Project was published in *Troy Record*, a copy of which is attached hereto and is an official part of this transcript. A copy of the Application submitted by South Lake Avenue Assoc., LLC to the Authority, along with a cost-benefit analysis, is available for review and inspection by the general public in attendance at this hearing.

III. PROJECT SUMMARY

SOUTH LAKE AVENUE ASSOC., LLC (the “Company”), has requested the Authority’s assistance with a certain project (the “Project”) consisting of (i) the acquisition by the Authority of a leasehold or other interest in certain parcels of real property located at 46-48

South Lake Avenue and 2 Prout Ave, Troy, New York 12180 (the “Land”, being more particularly identified as TMID Nos. 101.43-7-6 and 101.43-4-2) and the existing improvements located thereon, including 3 building structures comprised of approximately 16,600 square feet and 20 units of commercial apartments, along with related improvements (the “Existing Improvements”); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements, along with the installation and improvement of common areas, heating systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the “Improvements”), all of the foregoing intended for the Company’s ownership and operation of the Improvements as a commercial housing facility that will be leased by the Company to residential tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the “Equipment” and, collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and (D) the lease of the Authority’s interest in the Facility back to the Company.

It is contemplated that the Authority will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the leases. The Authority contemplates that it will provide financial assistance (the “Financial Assistance”) to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the Project; (b) mortgage recording tax exemptions(s) related to financings undertaken by the Company to construct the Facility; and (c) a partial real property tax abatement structured through a PILOT Agreement. The foregoing Financial Assistance and the Authority’s involvement in the Project are being considered to promote the economic welfare and prosperity of residents of the City of Troy, New York.

The Authority contemplates providing a PILOT Agreement with a term of Eight (8) years providing (i) a frozen “Base Value” requiring full taxes to be paid on the existing assessed value of the Land and Existing Improvements, and (ii) an abatement schedule applied to the “Added Value” associated with the Improvements that provides a 100% exemption from taxation for the Added Value in PILOT Years one and two, with such exemption being reduced in increments in PILOT Years three through eight.

IV. AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$2,200,000.00. Based upon additional information provided by the Company, the Agency estimates the following amounts of financial assistance to be provided to the Company:

Mortgage Recording Tax Exemptions (\$2,000,000 Mortgage)	=	\$13,125.00
Sales and Use Tax Exemptions (Estimated \$1.0M in taxable materials)	=	\$18,400.00
PILOT Schedule**	=	\$120,338.10

Total estimated Financial Assistance = \$151,863.10

IV. SEQRA:

The authority contemplates adopting a negative declaration (the “Negative Declaration”) with respect to the Project as lead agency pursuant to the State Environmental Quality Review Act and regulations adopted pursuant thereto (collectively, “SEQRA”).

VI. PUBLIC COMMENTS

Kevin O’Bryan reminded the board they had an extensive presentation of this project at their last meeting. Bill Dunne handed out a copy of the PILOT schedule to the board members and spoke about the background of how the PILOT scheduled is determined.

Hon. Dean Bodnar advised the board that the project is in his council district and he did go to the site for a visit. Mr. Bodnar noted that the site was sorely in need of the remodeling that it is getting. Mr. Bodnar toured one of the larger apartments and one that was about 98% complete. He noted that he was very impressed by what he saw. Mr. O’Bryan explained that he is familiar with the site and noted that the neighborhood is in need of this project. The neighborhood has shown no deterioration except for this property. Mr. O’Bryan noted that the property has been foreclosed upon a couple of times. Mrs. Urzan asked if the board knew the reasons for the foreclosures. Mr. O’Bryan explained that there have been many different reasons over the years. He added that a stable, multi-family complex is needed in this area surrounded by single family homes and with a school nearby. Mrs. Urzan hopes it will be revitalized.

Joe Baniak, a resident at 162 South Lave Avenue, noted that over the years there has been little attention paid to the sidewalks in the winter and the grass in the summer. Mr. Baniak noted that people have to walk in the road because there is no clear path in the winter for people to walk. He asked that something be safeguarded for something built into the agreement to maintain the property. Mr. Baniak submitted a letter to the board. Tom Rossi, owner of the property, spoke on behalf of his project. He noted some of his other projects in Troy and in one in Watervliet. Mr. Rossi explained that he finds distressed properties and tries to bring them back through the use of historic property credits and energy efficient programs as well as regular construction. Mr. Rossi advised he has high standards for maintenance on his properties and there will be maintenance dedicated to the site. Mr. Rossi advised one of the completed projects on Prout Ave will have a rent at about \$1000 per month. Mr. Baniak noted that it sounds like it will be a good project.

Mr. Bodnar reminded Mr. Baniak that any issues such as snow removal and property maintenance can be called in to Code Enforcement. Mr. Baniak explained that when people see a property in their neighborhood being disregarded, others start to neglect their properties. Mr. Baniak looks forward to the project.

VII. ADJOURNMENT

As there were no comments, the public hearing was closed at 11:20 a.m.

PROJECT AUTHORIZING RESOLUTION
(South Lake Avenue Assoc., LLC Project)

A special meeting of the Troy Industrial Development Authority (the “Authority”) was convened on March 20, 2015 at 10:30 a.m., local time, at 433 River Street, 5th Floor, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Hon. Dean Bodnar	X	
Hon. Robert Doherty		X
Steve Bouchey	X	
Louis Anthony	X	
Paul Carroll		X
Kathy Cietek	X	
Lisa Kyer		X
Tina Urzan	X	

The following persons were ALSO PRESENT: Justin S. Miller, Esq., Tom Rossi, Paul Goetz, Andy Piotrowski, Selena Skiba, Sharon Martin, Joe Baniak and Ken Crowe.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of South Lake Avenue Assoc., LLC.

On motion duly made by Tina Urzan and seconded by Steve Bouchey, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Hon. Dean Bodnar	X			
Hon. Robert Doherty				X
Steve Bouchey	X			
Louis Anthony	X			
Paul Carroll				X
Kathy Cietek	X			
Lisa Kyer				X
Tina Urzan	X			

Resolution No. 15-3-#1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) AUTHORIZING THE UNDERTAKING OF A CERTAIN PROJECT (AS FURTHER DEFINED HEREIN) FOR THE BENEFIT OF SOUTH LAKE AVENUE ASSOC., LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT; (ii) ADOPTING FINDINGS PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQRA") WITH RESPECT TO THE PROJECT; AND (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AGREEMENTS RELATING TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **SOUTH LAKE AVENUE ASSOC., LLC** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold or other interest in certain parcels of real property located at 46-48 South Lake Avenue and 2 Prout Ave, Troy, New York 12180 (the "Land", being more particularly identified as TMID Nos. 101.43-7-6 and 101.43-4-2) and the existing improvements located thereon, including 3 building structures comprised of approximately 16,600 square feet and 20 units of commercial apartments, along with related improvements (the "Existing Improvements"); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements, along with the installation and improvement of common areas, heating systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the "Improvements"), all of the foregoing intended for the Company's ownership and operation of the Improvements as a commercial housing facility that will be leased by the Company to residential tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back to the Company; and

WHEREAS, by resolution adopted February 13, 2015 (the "Initial Project Resolution"), the Authority (i) accepted the Application submitted by the Company, (ii) authorized the scheduling, notice and conduct of a public hearing with respect to the Project (the "Public Hearing"), and (iii) described the forms of financial assistance being contemplated by the Authority with respect to the Project (the "Financial Assistance", as more fully described herein); and

WHEREAS, pursuant to the Initial Project Resolution, the Authority duly scheduled, noticed and conducted the Public Hearing at 10:30 a.m. on March 20, 2015, whereat all interested persons were afforded a reasonable opportunity to present their views, either orally or in writing, on the location and nature of the Facility and the proposed Financial Assistance to be afforded the Company in connection with the Project (a copy of the Minutes of the Public Hearing, proof of publication and delivery of Notice of Public Hearing and Contemplated Deviation being attached hereto as **Exhibit A**); and

WHEREAS, in furtherance of the authorization of the Project, the Authority desires to review the Project as lead agency pursuant to the State Environmental Quality Review Act and regulations adopted pursuant thereto (collectively, "SEQRA"), and has been presented with an Environmental Assessment Form ("EAF"), a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, the Authority and Company have negotiated a lease agreement (the "Lease Agreement"), related Leaseback Agreement (the "Leaseback Agreement") and related payment-in-lieu-of-tax agreement (the "PILOT Agreement"), and, subject to the conditions set forth within this resolution, it is contemplated that the Authority will (i) acquire a leasehold interest in the Land and Existing Improvements pursuant to the Lease Agreement, (ii) appoint the Company agent of the Authority to undertake the Project and lease the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Company for the term of the Leaseback Agreement and PILOT Agreement, and (ii) provide certain forms of Financial Assistance to the Company, including (a) mortgage recording tax exemption(s) relating to one or more financings secured in furtherance of the Project; (b) a sales and use tax exemption for purchases and rentals related to the construction and equipping of the Project; and (c) a partial real property tax abatement structured through the PILOT Agreement; and

WHEREAS, the Authority desires to authorize the undertaking of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, thereby increasing employment opportunities in the City of Troy, New York, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(E) The Authority has reviewed the EAF and determined the Project involves an "Unlisted Action" as said term is defined under SEQRA. The review is uncoordinated. Based upon the review by the Authority of the EAF and related documents delivered by the Company to the Authority and other representations made by the Company to the Authority in connection with the Project, the Authority hereby finds that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQRA; and (iii) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action. This determination constitutes a negative declaration in connection with the Authority's sponsorship and involvement with the Project for purposes of SEQRA.

Section 2. The Authority hereby accepts the Minutes of the Public Hearing and approves the provision of the proposed Financial Assistance to the Company, including (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement.

Section 3. Subject to the Company executing the Leaseback Agreement and/or a related Agent Agreement, along with the delivery to the Authority of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Authority, the Authority hereby authorizes the undertaking of the Project, including the acquisition of a leasehold interest in the Land and Existing Improvements pursuant to the Lease Agreement and related recording documents, the form and substance of which shall be approved as to form and content by counsel to the Authority. Subject to the within conditions, the Authority further authorizes the execution and delivery of the Leaseback Agreement, wherein the Company is authorized to undertake the construction and equipping of the Improvements and hereby appoints the Company as the true and lawful agent of the Authority: (i) to acquire, construct and equip the Improvements and acquire and install the Equipment; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Authority with the authority

to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Authority could do if acting in its own behalf.

Based upon the representation and warranties made by the Company the Application, the Authority hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$230,000.00**, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed **\$18,400.00**. The Authority agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Authority upon being provided with appropriate documentation detailing the additional purchases of property or services, and, to the extent required, the Authority authorizes and conducts any supplemental public hearing(s).

Pursuant to Section 1963-b of the Act, the Authority may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Authority as part of the Project; (iv) the Company has made a material false statement on its application for financial assistance; (v) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Project; and/or (vi) the Company obtains mortgage recording tax benefits and/or real property tax abatements and fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Project (collectively, items (i) through (vi) hereby defined as a “Recapture Event”).

As a condition precedent of receiving sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) if a Recapture Event determination is made by the Authority, cooperate with the Authority in its efforts to recover or recapture any sales and use tax exemption benefits, mortgage recording tax benefits and/or real property tax abatements abatement benefits, and (ii) promptly pay over any such amounts to the Authority that the Authority demands, if and as so required to be paid over as determined by the Authority.

Section 4. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to execute, deliver (A)

the Lease Agreement, pursuant to which the Company will lease its interest in the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Authority, (B) the Leaseback Agreement, pursuant to which the Authority will lease its interest in the Land, Existing Improvements, Improvements and Equipment constituting the Facility back to the Company, (C) the PILOT Agreement pursuant to which the Company shall be required to make certain PILOT Payments to the Authority for the benefit of the Affected Taxing Jurisdictions (along with a related PILOT Mortgage Agreement), and (C) related documents, including, but not limited to, Sales Tax Exemption Letter(s), Bills(s) of Sale and related instruments; provided the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. The Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Authority are hereby further authorized, on behalf of the Authority, and to the extent necessary, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project and/or finance/refinance acquisition and Project costs, equipment and other personal property and related transactional costs, and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Authority shall approve, the execution thereof by the Chairman, Vice Chairman or the Executive Director/Chief Executive Officer of the Authority to constitute conclusive evidence of such approval; provided, in all events, recourse against the Authority is limited to the Authority's interest in the Project.

Section 6. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 7. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF RENSSELAER)

I, Denee Zeigler, the undersigned, Acting Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on March 20, 2015, 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 set forth 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 Authority 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 Authority 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 Authority this 20th day of March, 2015.

Denee Zeigler

(SEAL)

EXHIBIT A
PUBLIC HEARING MATERIALS

EXHIBIT B
SEQRA MATERIALS