

**PILOT DEVIATION APPROVAL RESOLUTION
RAILROAD PLACE APARTMENTS, LLC PROJECT**

A regular meeting of City of Rensselaer Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 62 Washington Street in the City of Rensselaer, Rensselaer County, New York on August 22, 2022 at 4:15 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:

Michael Stammel	Chairman
John DeFrancesco	Vice Chairman
Andrew Kretzchmar	Secretary
William Bulnes	Member
Ray Stevens	Member (remote regarding EO 11.9)

Each of the members present participated in the meeting either in person or remotely pursuant to the signing into law on September 2, 2021 of Chapter 417 of the Laws of 2021, as amended on January 14, 2022.

ABSENT:

None.

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

John J. Bonesteel	Chief Executive Officer/Treasurer
A. Joseph Scott, III, Esq.	Special Agency Counsel
Shannon E. Wagner, Esq.	Special Agency Counsel
Madeline Rizzo	Executive Assistant

The following resolution was offered by William Bulnes, seconded by John DeFrancesco, to wit:

Resolution No. 0822-04

RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED PROJECT FOR RAILROAD PLACE APARTMENTS, LLC (THE “COMPANY”).

WHEREAS, City of Rensselaer 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 235 of the 1974 Laws of New York, as amended, constituting Section 903-c 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 commercial, manufacturing 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Railroad Place Apartments, LLC, a New York State limited liability company (the “Company”), has 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) the acquisition of an interest in two (2) parcels of land containing approximately 3.38 acres located at 2 Green Street (tax map nos.: 143.75-6-12 & 143.83-4-3.12) in the City of Rensselaer, Rensselaer County, New York (the “Land”), together with a pre-existing mill-building and an associated parking lot located thereon (the “Existing Facility”), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of two (2) additions to the Existing Facility and associated parking (collectively, the “Additions”, the Existing Facility and the Additions being hereinafter collectively referred to as the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery, equipment and other tangible personal property (collectively, 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 an approximately 32 market-rate unit residential apartment building, 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 June 27, 2022 (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 Chief Executive Officer 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 July 15, 2022 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 July 14, 2022 at Rensselaer City Hall located at 62 Washington Street in the City of Rensselaer, Rensselaer County, New York, as well as on the Agency’s website, (C) caused notice of the Public Hearing to be published on July 15, 2022 in the Troy Record, a newspaper of general circulation available to the residents of City of Rensselaer, New York, (D) conducted the Public Hearing on July 25, 2022 at 4:00 o’clock p.m., local time at 62 Washington Street in the City of Rensselaer, 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

August 22, 2022 (the “SEQR Resolution”), the Agency (a) concurred in the determination that that the City of Rensselaer Planning Commission (the “Planning Commission”) was designated to act as “lead agency” with respect to the Project, and (b) acknowledged receipt of a negative declaration issued by the Planning Commission on August 8, 2022 (the “Negative Declaration”) in which the Planning Commission determined that the Project would not have a significant adverse environmental impact on the environment, and therefore, that an environmental statement need not be prepared with respect to the Project; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on June 27, 2022, the members of the Agency adopted a resolution (the “Pilot Deviation Notice Resolution”) which authorized the Chief Executive Officer to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project, which proposed deviation is outlined in the letter dated July 15, 2022 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, on July 15, 2022, the Chief Executive Officer of the Agency caused a copy of the Pilot Deviation Letter to be sent to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax

Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman or Vice Chairman of the Agency, the Chairman or Vice Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman or Vice Chairman, the execution thereof by the Chairman or Vice Chairman to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael Stammel	VOTING	YES
John DeFrancesco	VOTING	YES
Andrew Kretzchmar	VOTING	YES
William Bulnes	VOTING	YES
Ray Stevens	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of City of Rensselaer 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 August 22, 2022 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 Chapter 417 of the Laws of 2021, as amended (the “2021 Laws”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given; and (D) there was a quorum of the members of the Agency, either in person or attending remotely in accordance with the 2021 Laws, 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 22 day of August, 2022.


Secretary

(SEAL)

EXHIBIT A
PILOT DEVIATION LETTER

- SEE ATTACHED -

CITY OF RENSSELAER INDUSTRIAL DEVELOPMENT AGENCY

City Hall
62 Washington Street
Rensselaer, New York 12144
Tel: (518) 860-2082
Jack.bonesteel@rensselaer.ny.gov

July 15, 2022

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

Joseph Kardash, Superintendent
Rensselaer City School District
25 Van Rensselaer Drive
Rensselaer, New York 12144

Michael Stammel, Mayor
City of Rensselaer
62 Washington Street
Rensselaer, New York 12144

Jennifer Haggerty, School Board President
Rensselaer City School District
25 Van Rensselaer Drive
Rensselaer, New York 12144

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Rensselaer Industrial Development Agency
in connection with its Proposed Railroad Place Apartments, LLC Project

Dear Ladies and Gentlemen:

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

The City of Rensselaer Industrial Development Agency (the "Agency") has received an application (the "Application") from Railroad Place Apartments, 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 two (2) parcels of land collectively containing approximately 3.38 acres located at 2 Green Street and First Ave (Rear) (tax map nos.: 143.75-6-12 & 143.83-4-3.12) in the City of Rensselaer, Rensselaer County, New York (the "Land"), together with a pre-existing mill-building containing approximately 28,356 square feet of space located thereon (the "Existing Facility") and an associated parking lot, (2) the reconstruction and renovation of the Existing Facility, (3) the construction of two (2) additions to the Existing Facility containing approximately 1,409 square feet of space (collectively, the "Additions", the Existing Facility and the Additions being hereinafter collectively referred to as the "Facility") and associated parking and (4) the acquisition and installation therein and thereon of certain machinery, equipment and other tangible personal property (collectively, 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 an approximately 32 market-rate unit residential apartment building, 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 the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

Year	Pilot Payments
1	\$15,250
2	\$15,250
3	\$15,250
4	\$15,250
5	\$15,250
6	\$15,250
7	\$15,250
8	\$21,000
9	\$21,000
10	\$21,000
11	\$21,000
12	\$21,000
13	\$42,000
14	\$42,000
15	\$42,000
16 and thereafter	Normal Taxes

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 90% 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 percentage per year increase over the term of the fifteen 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 25, 2022 at 4:15 o’clock, p.m., local time in the offices of the Agency located at the Rensselaer City Hall at 62 Washington Street, in the City of Rensselaer, 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 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:** Residential facility.
2. **The present use of the property:** Vacant building.

3. The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area: The property is located in census tract 515 which is contiguous to census tracts 1 and 2 which are distressed census tracts.

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: Upon completion of the development of the Project, 1 full-time position will be created. The Project will also create approximately 80 construction jobs.

5. The estimated value of new tax exemptions to be provided: Sales tax exemption of \$160,000, mortgage recording tax exemption of \$45,000 and real property tax exemption of \$442,250.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The Project will rehabilitate a vacant building which was previously used as a mill into market-rate housing for the community. The presence of new renters will have a positive economic impact on the community.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: A project of the size and scope of this Project will result in new residents within proximity to local businesses. New community residents will play a role in helping these existing businesses remain open along with new businesses coming to the community.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: The investment by the Company in undertaking the Project is equal to approximately \$3,600,000.

9. The effect of the Proposed Pilot Agreement on the environment: The Proposed Pilot Agreement will not have a significant environmental impact.

10. Project Timing: The Project is expected to begin in September, 2023.

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: It is not anticipated that the Project will have a significant burden upon the educational facilities for any school district within the City of Rensselaer. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Rensselaer or the surrounding area. All necessary emergency medical and police services are available.

12. Anticipated tax Revenues: It is anticipated that there will likely be additional sales tax revenues after Project completion relating to certain future operating activities at the Project and related multiplier impacts.

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: This project will increase the number of residents living in the City of Rensselaer, New York. The increased resident base will positively affect the surrounding

businesses including restaurants/bars, coffee shops/cafes, and entertainment venues. The additional residents in this neighborhood will further add to its Live/Work/Play persona while encouraging ancillary businesses such as banks, independent boutiques, and similar businesses to remain in the area.

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)(b) 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,

s/John J. Bonesteel

John J. Bonesteel
Chief Executive Officer