PILOT DEVIATION APPROVAL RESOLUTION VECINO GROUP NEW YORK, LLC PROJECT

A regular meeting of County of Otsego Industrial Development Agency (the "Agency") was convened in public session in the office of the Agency located at 189 Main Street, Suite 500 in the City of Oneonta, Otsego County, New York on September 26, 2024 at 8:00 o'clock a.m., local time.

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

PRESENT:

Cheryl Robinson Chairperson
David Rowley Vice Chairperson

Jeffrey C. LordTreasurerTom ArmaoSecretaryCraig GelbsmanMemberPatricia KennedyMemberAndrew MariettaMember

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Jody Zakrevsky Chief Executive Officer

Meaghan Remillard Director of Finance and Administration

Jordan Allen Administrative Assistant

Kurt D. Schulte, Esq. Agency Counsel Christopher C. Canada, Esq. Special Counsel

The following resolution was offered by David Rowley, seconded by Tom Armao, to wit:

Resolution No. 0924-02

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 VECINO GROUP NEW YORK, LLC PROJECT.

WHEREAS, County of Otsego 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 252 of the 1973 Laws of New York, as amended, constituting Section 910-a 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 July, 2024, Vecino Group New York, LLC, a Missouri limited liability company (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 1.17 acre parcel of land located at 217 Main Street (Tax Map No. 115.17-1-52.00) in the Village of Cooperstown, Town of Otsego, Otsego County, New York (the "Land"), together with an existing building located thereon (the "Existing Facility"), (2) the demolition of the Existing Facility and the construction on the Land of an approximately three-story, 45,000 square foot building (the "New Facility") (the Existing Facility and the New Facility being collectively referred to as the "Facility") and (3) the acquisition and installation of certain machinery and equipment therein and thereon (the "Equipment") (the Land, the Facility and the Equipment hereinafter referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company, or an affiliate thereof, as an approximately 50 unit multifamily affordable housing development and other directly or 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 August 22, 2024 (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 September 9, 2024 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 September 9, 2024 at the Village of Cooperstown Village Hall located at 22 Main Street in the Village of Cooperstown, Town of Otsego, Otsego County, New York, (C) caused notice of the Public Hearing to be published on September 13, 2024 in The Daily Star, a newspaper of general circulation available to the residents of Village of Cooperstown and Town of Otsego, Otsego County, New York, (D) conducted the Public Hearing on September 23, 2024 at 11:00 a.m., local time at the Village of Cooperstown Village Hall located at 22 Main Street in the Village of Cooperstown, Town of Otsego, Otsego 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 Public 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 September 9, 2024 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 resolution adopted by the members of the Agency on September 26, 2024 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the Village of Cooperstown Board of Trustees (the "Board of Trustees") was designated to act as the "lead agency" with respect to the Project and (B) acknowledged receipt of a negative declaration from the Town Board issued on April 29, 2024 (the "Negative Declaration") in which the Board of Trustees determined that the Project will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to 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 (the "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 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") written notice of the proposed deviation from the Agency's Policy and the reasons therefor no fewer than thirty (30) days 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 August 22, 2024, the members of the Agency adopted a resolution (the "Resolution Authorizing the Pilot Deviation Letter") which authorized the Chief Executive Officer to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's Policy in connection with the Project, which proposed deviation is outlined in the letter dated August 26, 2024 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, by the Pilot Deviation Letter, the Chief Executive Officer notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's 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 COUNTY OF OTSEGO 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 attached Pilot Deviation Letter.

Section 3. Upon preparation by 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 Chairperson (or Vice Chairperson) of the Agency, the Chairperson (or Vice Chairperson) 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 Chairperson (or Vice Chairperson), the execution thereof by the Chairperson (or Vice Chairperson) 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:

Cheryl Robinson	VOTING	YES
David Rowley	VOTING	YES
Jeffrey C. Lord	VOTING	YES
Tom Armao	VOTING	YES
Craig Gelbsman	VOTING	YES
Patricia Kennedy	VOTING	ABSTAIN
Andrew Marietta	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.
COUNTY OF OTSEGO)

I, the undersigned Secretary of County of Otsego 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 September 26, 2024 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 26th day of September, 2024.

Secretary

(SEAL)

EXHIBIT A

PILOT DEVIATION LETTER

- SEE ATTACHED -

AFFIDAVIT OF MAILING OF PILOT DEVIATION NOTICE LETTER

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

The undersigned hereby states:

That on August 26, 2024, I mailed to the following individuals a copy of a letter (the "Pilot Deviation Notice Letter") informing said individuals of (A) a proposed deviation (the "Deviation") by County of Otsego Industrial Development Agency (the "Agency") from the Agency's Uniform Tax Exemption Policy relating to the proposed Vecino Group New York, LLC Project to be undertaken by the Agency for the benefit of Vecino Group New York, LLC (the "Company") and (B) the time and place of the meeting of the members of the Agency at which the question of whether to proceed with said Deviation is scheduled to be considered by the Agency:

Edwin Frazier, Jr., Board Chair Otsego County Board of Representatives 197 Main Street Cooperstown, New York 13326

9589 0710 5270 0068 9209 89

Ben Bauer, Supervisor Town of Otsego P.O. Box 183 Fly Creek, New York 13337

9589 0710 5270 0068 9210 09

Ellen Tillapaugh, Mayor Village of Cooperstown P.O. Box 346 22 Main Street Cooperstown, New York 13326 7587 0710 5270 0048 7210 23 Sarah Spross, Superintendent Cooperstown Central School District 39 Linden Avenue Cooperstown, New York 13326

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Pete Iorizzo, School Board President Cooperstown Central School District 39 Linden Avenue Cooperstown, New York 13326

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District Clerk Cooperstown Central School District 39 Linden Avenue Cooperstown, New York 13326

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I have hereunto set my hand this 26th day of August, 2024.

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COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY 189 Main Street, 5th Floor Oneonta. New York 13820

TEL: 607-267-4010

August 26, 2024

Edwin Frazier, Jr., Board Chair Otsego County Board of Representatives 197 Main Street Cooperstown, New York 13326

Ben Bauer, Supervisor Town of Otsego P.O. Box 183 Fly Creek, New York 13337

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Pete Iorizzo, School Board President Cooperstown Central School District 39 Linden Avenue Cooperstown, New York 13326

District Clerk Cooperstown Central School District 39 Linden Avenue Cooperstown, New York 13326

RE: Proposed Deviation from Uniform Tax Exemption Policy by
County of Otsego Industrial Development Agency in connection with its
Proposed Vecino Group New York, LLC Project

Ladies and Gentlemen:

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

County of Otsego Industrial Development Agency (the "Agency") received an application (the "Application") from Vecino Group New York, LLC, a limited liability company organized and existing under the laws of the State of Missouri (the "Company"), 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 an approximately 1.17 acre parcel of land located at 217 Main Street (Tax Map No. 115.17-1-52.00) in the Village of Cooperstown, Town of Otsego, Otsego County, New York (the "Land"), together with an existing building located thereon (the "Existing Facility"), (2) the demolition of the Existing Facility and the construction on the Land of an approximately three-story, 45,000 square foot building (the "New Facility") (the Existing Facility and the New Facility being collectively referred to as the "Facility") and (3) the acquisition and installation of certain machinery and equipment therein and thereon (the "Equipment") (the Land, the Facility and the Equipment hereinafter referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company, or an affiliate thereof, as an approximately 50 unit multifamily affordable housing development and other directly or 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

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Edwin Frazier, Jr., Board Chair Ben Bauer, Supervisor Ellen Tillapaugh, Mayor Sarah Spross, Superintendent Pete Iorizzo, School Board President District Clerk August 26, 2024 Page 2

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 (the "PILOT Request") to 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 "UTEP"). Capitalized terms not otherwise defined herein are defined in the UTEP.

The Proposed PILOT Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed PILOT Agreement would provide (A) for a thirty (30) year abatement on the Facility and any portion of the Equipment assessable as real property pursuant to the Real Property Tax Law of the State of New York and (B) that the Company would make payments in lieu of taxes (each a "PILOT Payment") equal to ten percent (10%) of the "shelter rent" payments generated at the Project Facility.

The UTEP provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined under the following abatement schedule: a fifty percent (50%) abatement of real property taxes on the change in assessed value of the Project Facility as a result of the Project in years one (1) through five (5); and a twenty-five percent (25%) abatement in years six (6) through ten (10).

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 the 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 26, 2022 at 8:00 o'clock a.m., local time at the offices of the Agency located at 189 Main Street, 5th Floor, Oneonta, New York (the "Meeting"). As described in this letter, during the Meeting the Agency will review the terms of the PILOT Request and, based on the discussions during such Meeting, the terms of the PILOT Request may be modified.

The Agency considered the following factors in considering the proposed deviation:

- 1. The nature of the Project. The Project is anticipated to be a multi-family affordable housing development.
- 2. The present use of the property: The property is currently a storage facility used by an individual owner.
- 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 Project is located in the Village of Cooperstown and Town of Otsego and will create full-time equivalent jobs

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Edwin Frazier, Jr., Board Chair Ben Bauer, Supervisor Ellen Tillapaugh, Mayor Sarah Spross, Superintendent Pete Iorizzo, School Board President District Clerk August 26, 2024 Page 3

and generate increased tax and other revenues for the Affected Tax Jurisdictions and local businesses. Additional benefits created by the Project are described in the Application.

- 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 Project is expected to create approximately sixty (60) full-time construction jobs in connection with the Project. After completion of the Project, it is expected that three (3) full-time jobs will be created by the third year of operation of the Project.
- 5. The estimated value of new tax exemptions to be provided: Sales tax exemption of approximately \$800,000, mortgage recording tax exemption of approximately \$142,500 and a real property tax exemption of approximately \$2,082,610.
- 6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The development of the Project Facility will have an overall positive affect on the tax jurisdictions. The Proposed Pilot Agreement will provide definitive tax revenue for budgeting purposes for the affected tax jurisdictions in the form of thirty (30) years of PILOT and special district tax payments. Additionally, the Project will provide necessary affordable housing for low-income individuals and is expected to partner with a local residential treatment center to offer housing for developmentally disabled individuals.
- 7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The Project will have a positive impact on existing and proposed businesses and economic development projects in the vicinity of the Project, as the Project will source as much local services and construction materials as financially feasible.
- 8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$23,800,000.
- 9. The effect of the Proposed Pilot Agreement on the environment: It is likely that the Project will <u>not</u> have a significant effect on the environment.
- 10. Project Timing: It is anticipated that the Project will be accomplished in a timely fashion.
- 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 any additional educational, transportation, police, emergency medical or fire services will be required as a result of the Project.

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Edwin Frazier, Jr., Board Chair Ben Bauer, Supervisor Ellen Tillapaugh, Mayor Sarah Spross, Superintendent Pete Iorizzo, School Board President District Clerk August 26, 2024 Page 4

- 12. Anticipated tax Revenues: It is expected that sales tax, income tax, and real property tax revenues will increase due to the undertaking of the Project.
- 13. The extent to which the Proposed PILOT Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: The benefit is a positive one economically, in that the Project will further promote the development of Otsego County. Additionally, the Project will provide additional resources to an existing residential treatment center which assists developmentally disabled individuals located in Otsego County.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's UTEP) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's UTEP. 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,

/s/ Jody Zakrevsky
Jody Zakrevsky, Chief Executive Officer

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