

**PILOT DEVIATION APPROVAL RESOLUTION
HERKIMER LOCAL DEVELOPMENT CORPORATION PROJECT**

A regular meeting of Herkimer County Industrial Development Agency (the “Agency”) was convened in public session at the Herkimer County Chamber of Commerce Conference Room located at 420 E. German Street, Suite 101A in the Village and Town of Herkimer, Herkimer County, New York, on July 30, 2024 at 8:00 o’clock a.m., local time.

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

PRESENT:

Vincent J. Bono	Chairman
Cory Albrecht	Vice Chairman
John Scarano	Secretary
Ann Gaworecki	Director
Tim Day	Director
Alana Basloe	Director

ABSENT:

Michael Werenczak	Treasurer
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AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

John J. Piseck, Jr.	Chief Executive Officer
Victoria Adams	Operations Manager
Jennifer Young	Office Administration
Erin E. Spina	Marketing & Communications Specialist
Alaina Valeriano	Community & Business Development Specialist
Anthony Hallak, Esq.	Agency Counsel
Shannon E. Wagner, Esq.	Special Agency Counsel

The following resolution was offered by John Scarano, seconded by Cory Albrecht, to wit:

Resolution No. 073024-06

**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 HERKIMER LOCAL DEVELOPMENT CORPORATION PROJECT.**

WHEREAS, Herkimer 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 410 of the 1970 Laws of New York, as amended, constituting Section 898 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, 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, Herkimer Local Development Corporation, a New York State not-for-profit local development corporation (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) the acquisition of a leasehold interest in an approximately 0.36 acre parcel of land located at 415 N. Main Street (tax map number 113.81-6-6) in the Town and Village of Herkimer, Herkimer County, New York (the “Land”), together with an existing building located thereon (the “Facility”), (2) the making of certain renovations to the Facility and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (collectively, the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing expected to constitute an office building to be used by the Agency and the Company as their corporate offices with portions of thereof being leased by the Agency and/or the Company to various tenants, and 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 12, 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 a certified copy of the Public Hearing Resolution to be mailed on June 12, 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 (collectively, the “Affected Tax Jurisdictions”), (B) 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 June 12, 2024 to the Affected Tax Jurisdictions, (C) caused notice of the Public Hearing to be posted on January 12, 2024 on the Agency’s website and on a public bulletin board located at the Herkimer County Chamber of Commerce Conference Room located at 420 E. German Street, Suite 101A in the Village and Town of Herkimer, Herkimer County, New York, (D) caused notice of the Public Hearing to be published on June 14, 2024 in the Times Telegram, a newspaper of general circulation available to the residents of the Village and Town of Herkimer, Herkimer County, New York, (E) conducted the Public Hearing on June 24, 2024 at 8:00 o’clock a.m., local time at the Herkimer County Chamber of Commerce Conference Room located at 420 E. German Street, Suite 101A in the Village and Town of Herkimer, Herkimer County, New York, and (F) 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 July 30, 2024 (the “SEQRA Resolution”), the Agency determined that the Project constitutes a “Type II Action” (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project is required under SEQRA; 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 a proposed payment in lieu of tax agreement (the “PILOT Agreement”) relating to the Project Facility; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on such request for a deviation from the 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 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, the members of the Agency authorized the Chief Executive Officer of the Agency to notify the Affected Tax Jurisdictions of the proposed deviation from the Policy in connection with the Project, which proposed deviation is outlined in the letter dated June 14, 2024 (the “PILOT Deviation Letter”), a copy of which PILOT Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to the PILOT Deviation Letter, the Chief Executive Officer notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the 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 HERKIMER COUNTY 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 any and 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) any 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

Policy with respect to the terms of the PILOT Agreement for the reasons set forth in the PILOT Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Policy, the terms of the approved deviation to be as described in the attached PILOT Deviation Letter.

Section 3. Upon (a) adoption by the Agency of an approval resolution with respect to the Project and (b) preparation by counsel to the Agency of the PILOT Agreement with respect to the Project Facility reflecting the terms of this resolution and approval of same by the Chairman, Vice Chairman and/or Chief Executive Officer of the Agency, the Chairman, Vice Chairman, and/or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the PILOT 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, Vice Chairman, and/or Chief Executive Officer of the Agency, the execution thereof by the Chairman, Vice Chairman, and/or Chief Executive Officer of the Agency 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 PILOT 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 PILOT 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:

Vincent James Bono	VOTING	YES
Cory Albrecht	VOTING	YES
John Scarano	VOTING	YES
Michael Werenczak	VOTING	ABSENT
Ann Gaworecki	VOTING	YES
Tim Day	VOTING	YES
Alana Basloe	VOTING	YES

The foregoing resolution was thereupon declared duly adopted.

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STATE OF NEW YORK
COUNTY OF HERKIMER

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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 30th day of July, 2024.

Victoria Adams, Assistant Secretary



EXHIBIT A
PILOT DEVIATION LETTER

-SEE ATTACHED-

Exhibit A



June 14, 2024

STAFF

JOHN J. PISECK, JR.
Chief Executive Officer

VICTORIA L. ADAMS
Operations Manager

JENNIFER L. YOUNG
Administrative Office
Assistant

ERIN E. SPINA
Marketing & Communications
Specialist

ALAINA VALERIANO
Community & Business
Development Specialist

BOARD OF DIRECTORS

VINCENT J. BONO
Chairman

CORY ALBRECHT
Vice Chairman

JOHN SCARANO
Secretary

MICHAEL WERENCZAK
Treasurer

ANN GAWORECKI
Director

TIM DAY
Director

ALANA BASLOE
Director

COUNSEL

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Herkimer County Legislature
109 Mary Street, Suite 1310
Herkimer, New York 13350

Hon. Dominic J. Frank, Town Supervisor
Town of Herkimer
114 North Prospect Street
Herkimer, NY 13350

Hon. Dana Sherry, Mayor
Village of Herkimer
120 Green Street
Herkimer, New York 13350

Kathy Carney, Superintendent
Herkimer Central School District
801 West German Street
Herkimer, New York 13350

Brian Crandall, President
Herkimer Central School District
801 West German Street
Herkimer, New York 13350

Gina McKernan, District Clerk
Herkimer Central School District
801 West German Street
Herkimer, New York 13350

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Herkimer County Industrial Development Agency
Proposed Deviation from Uniform Tax Exemption Policy
Related to the proposed Herkimer Local Development Corporation Project

Dear Ladies and Gentlemen:

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

On June 12, 2024, the Agency adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from Herkimer Local Development Corporation (the "Company"), a not-for-profit local development corporation duly organized and validly existing under the laws of the New York, 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 a leasehold interest in an approximately 0.36 acre parcel of land located at 415 N. Main Street (tax map number 113.81-6-6) in the Town and Village of Herkimer, Herkimer County, New York (the "Land"), together with an existing building located thereon (the "Facility"), (2) the making of certain renovations to the Facility and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (collectively, the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing expected to constitute an office building to be used by the Agency and the Company as their corporate offices with portions of thereof being leased by the Agency and/or the Company to various tenants, and 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 real estate transfer taxes and real property taxes

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(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 that 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 be for a term of thirty (30) years, and would provide the Company with a benefit of full abatement of 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") over the term of the Proposed Pilot Agreement.

The Policy provides that the Agency has discretion to provide a full abatement of real property taxes for a term of twenty (20) years.

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 June 25, 2024 at 8:00 o'clock, a.m. local time at the offices of the Agency located at 420 East German Street, Suite 101A, Herkimer, 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:** The Project involves the reconstruction and renovation of an existing underutilized building located in the Town and Village of Herkimer, Herkimer County, New York. Herkimer County, New York (the "County") acquired the Facility in connection with foreclosure proceedings and transferred the Facility to the Company in order for the Company to improve local facilities, reduce blight, and create space for the Company and the Agency to use as corporate offices for facilitating economic development.
2. **The present use of the property:** The property is currently vacant and underutilized.
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:** At the time of filing the Application, the economic condition of the area in which the Project is located is generally average.
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 not expected to create or retain any jobs. The Project Facility, upon completion, will be utilized by the Agency and the Company for their corporate offices to facilitate future economic development projects. Additionally, portions of the space may be leased to private businesses for office space. However, at the time of filing the Application, the Company does not anticipate job creation.

5. **The estimated value of new tax exemptions to be provided:** The estimated values of new tax exemptions to be provided are as follows: up to approximately \$529,600 in sales tax exemption and up to approximately \$624,130.87 in real property tax exemption.

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Proposed Pilot Agreement is positive as development of the Project Facility is expected to increase the Agency and the Company's capacity to facilitate economic development within the County. Additionally, the cost benefit analysis completed by the Agency in connection with the Application demonstrated an overall positive ratio.

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 revitalizing effect on the community by developing currently underutilized land in a strategically identified commercial location.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The Company does not expect to invest private sector funds in the Project.

9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not 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 the Project will have a significant burden upon existing services within the County.

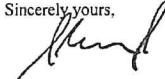
12. **Anticipated tax Revenues:** The Project will result in an increased in the assessed value of the Project Facility and will improve the overall culture of the area. Additionally, upon any leases to future for-profit tenants, the Agency and the Company anticipate tax revenue to be generated by such tenants.

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 Project will (a) reduce the burden on the County to hold or improve underutilized, blighted real property in the County, (b) facilitate the Agency and the Company's ability to accomplish their stated purposes, and (c) will improve the overall 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 (315) 866-3000.

Sincerely, yours,

A handwritten signature in black ink, appearing to read "John J. Piseck, Jr.", written in a cursive style.

John J. Piseck, Jr
Chief Executive Officer