

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY (IDA)
MINUTES OF BOARD MEETING
March 22, 2021

Present

Board Members: Austin DuBois, Chairman
Christina Amato, Gregory Nato, Adam Pollick and Nancy Thomas

Absent: Michael Kelly and Marlon Ramos

Staff: Cherisse Vickers, Executive Director
Counsel: For Counsel: Catherine Kemp, Whiteman, Osterman and
Hanna, (WOH) LLP and Michelle Kennedy, Of Counsel,
WOH

1. **Roll Call**: Chairman Austin DuBois called the meeting to order and accepted the proof of notice of meeting.

2. **Reading and Approval of minutes of the previous meeting**

Minutes from the previous board meeting of February 8, 2021 were distributed earlier to the board via e-mail.

Motion to approve the minutes as presented:

Ms. Thomas: Motion to approve the minutes
Mr. Pollick: Motion seconded.
Discussion: None.
VOTE: Unanimously adopted.

Minutes from the Special Board meeting of February 15, 2021 were distributed earlier to the board via e-mail.

Motion to approve the minutes as presented:

Mr. Pollick: Motion to approve the minutes
Ms. Amato: Motion seconded.
Discussion: None.
VOTE: Unanimously adopted.

3. **Report of the Treasurer; Approval of Payment of Bills**

This item under the agenda has been tabled at this time while awaiting the arrival of the Treasurer. The Treasurer was not able to attend the meeting so Audit-Finance Committee Member Adam Pollick presented the Treasurer's Report to the board on his behalf.

After reading the Treasurer's Report to the board, a motion to approve the Treasurer's Report was made by Nancy Thomas, seconded by Christina Amato, and unanimously approved.

A motion to pay March 2021 bills (check numbers 928-938) was made by Adam Pollick, seconded by Christina Amato, and unanimously approved.

Audit-Finance Committee Member Adam Pollick gave a brief overview of the committee's meeting and recommendations to the full board. The committee recommends to the full board to approve the 2020 audit and the Investment Report for 2020. There was also discussion about preparing a RFQ for banking services for comparison purposes.

A motion to approve the 2020 audit was made by Nancy Thomas, seconded by Gregory Nato, and unanimously approved.

4. **Chairman's Report**

The Chair discussed with the board recent news concerning the Orange County IDA and mentioned that they came to the IDA board a few years back with a proposition, and at the time, the board voted to not participate in that project for various reasons.

5. **Counsel's Report**

IDA's Legal Counsel Bob McLaughlin was unable to attend the meeting. His associate, Catherine Kemp, provided the board with an update on work in progress.

Scobie Drive – The buyer has diligently been perusing their obligations under the contract. Due to no fault of their own things have been delayed. The cleanup and bench marks in the contract will have to be revised.

Foundry – The comments at the public hearing were overwhelming positive. Counsel will continue to work on open issues based on the building's status as a condominium and on the structure of a PILOT for 59 separate tax lots. The applicant might be requested to produce a memorandum to address these issues.

St. Luke's Parking Garage – They had requested to pay off their bonds from 2005 and amended in 2010. They have now worked out with their lenders a workout and are now are requesting that the 2005 bonds and indenture fee be amended. The board may need a special meeting in case anything needs to be signed before April board meeting.

The Chair disclosed that he is on the St. Luke's board. If a special meeting is held, he will not attend and recuse himself.

6. **Executive Director's Report**

Executive Director Cher Vickers made a request to the board that legal counsel review all of the contracts that the IDA has with Crown Castle (cell tower contracts) and all other contracts.

On a motion made by Christina Amato and seconded by Nancy Thomas, the board unanimously agreed to expend the funds to have all IDA contracts reviewed.

Two annual reports were sent to the board for review and approval—2020 Operations and Accomplishments and 2021 Performance Measurements. After discussion about the two reports, a motion to approve the reports was made by Christina Amato and

seconded by Nancy Thomas. Roll call provided unanimous agreement on the passage of Resolution No. 2021-03-22-01, with two absentees.

A motion to approve Resolution No. 2021-03-22-01 was made by Christina Amato and seconded by Nancy Thomas.

The IDA held a public hearing to revise the current Uniform Tax Exempt Policy (UTEP). There were no comments and no one attended from the taxing jurisdictions.

The board discussed a memo from Philippe Pierre regarding RP-485-A, statutory mixed use exemption. Counsel clarified that the City of Newburgh and school district have already adopted RP-485-A. It would be easier for a developer to discuss these benefits directly with the tax assessor.

GEMMA sidewalk at the Broadway Armory. Remediating this issue has been delayed due to further clarification needed on the nature of the violations.

7 New Business

Three applications have been received for PPE Grants – two businesses and one nonprofit. The nonprofit is Safe Harbors, and the two businesses are Active Ventilation Products, Inc., and J&F Restaurant Inc., a local pizzeria. Active Ventilation has a grant request of \$3,194.72, of which \$2,500.00 will be awarded; J&F Restaurant Inc., has a grant request of \$2,529.00, of which \$2,500.00 will be awarded; and Safe Harbors of the Hudson Inc. - Cornerstone Residence has a grant request of \$2,433.43, of which \$2,433.43 will be awarded. Once the grant payment has been processed, a site visit will occur for each of these entities.

A motion to approve Resolution No. 2021-03-22-03, *Resolution Authorizing A State Disaster Emergency Grant for a Small Business*, was made by Christina Amato, seconded by Adam Pollick. Roll call provided unanimous agreement on the passage of Resolution No. 2021-03-22-03, with two absentees.

Discussion took place regarding the IDA's Strategic Assistance Policy in relation to the Uniform Tax Exempt Policy (UTEP), which the board has been working on editing and drafting of a new one. The board unanimously agreed that the language that is in the Strategic Assistance Policy has been incorporated in some fashion into the UTEP, thereby not needing the Strategic Assistance Policy.

The following motion was made by Christina Amato: as the UTEP was written, as it has been addressed and drafted, a public hearing has been held and heard on it, as it is, a motion to approve Resolution No. 2021-03-22-02, *Resolution Adopting A Uniform Tax Exempt Policy*, has been made. This motion was seconded by Nancy Thomas. Roll call provided unanimous agreement on the passage of Resolution No. 2021-03-22-03, with two absentees.

8. Old Business

No old business to address at this time.

9. Adjournment

As there is no further business to come before the board, a motion to adjourn was made by Nancy Thomas, seconded by Gregory Nato, and unanimously passed.

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY
 Treasurer's Report for the IDA March 22, 2021 Board Meeting

OPERATING Account

Opening Balance As of February 9, 2021 \$ **271,822.65**
from Quickbooks

<i>Deposits</i>	Payor	Amount	Remarks
2/16/2021	Central Hudson	\$2,030.64	Cell tower
2/16/2021	T-Mobile	4,758.21	Cell tower
2/16/2021	Sprint	2,016.53	Cell tower
3/2/2021	AT&T	3,551.02	Cell tower
3/17/2021	Central Hudson	2,030.64	Cell tower
3/17/2021	T-Mobile	4,758.21	Cell tower
3/17/2021	Sprint	2,077.02	Cell tower
	TOTAL	\$21,222.27	

Disbursements

Check Number	Check Date	Payee	Amount	Remarks
928	2/23/2021	Chubb	\$777.05	4320 1125 8516 001C, Commercial insurance
929	3/1/2021	Salvick Corp.	\$1,507.44	Inv. # 163
930	3/1/2021	Jacobowitz & Gubits LLC	122.50	Inv. # 290890
931	3/1/2021	Jacobowitz & Gubits LLC	629.10	Inv. # 290889
932	3/1/2021	BST & Co., CPAs	3,000.00	Inv. # 369371
933	3/1/2021	NYS EDC	150.00	Inv. # 12241
934	3/8/2021	Diana Hesse	645.00	Inv. # 2021-03-01
935	3/15/2021	Diana Hesse	412.50	Inv. #2021-03-15
936	3/15/2021	Kennedy & Graven, Chartered	770.25	Inv. # 159646
937	3/15/2021	Salvick Corp.	469.99	Inv. # 164
938	3/15/2021	United States Postal Service	350.00	Annual renewal fee for post office box, #1298
		TOTAL	\$8,833.83	

Closing Balance As of March 22, 2021 \$ **284,211.09**
from Quickbooks

APPLICATIONS FUND Account

Opening Balance As of February 1, 2021 \$ 14,137.50
Closing Balance As of February 28, 2021 \$ 14,137.50

LESSOR/TENANT Account

Opening Balance As of February 1, 2021 \$ 2,400.00

Closing Balance	As of February 28, 2021	\$	2,400.00
------------------------	-------------------------	----	----------

MONEY MARKET Account

Opening Balance	As of February 1, 2021	\$	750,020.41
------------------------	------------------------	----	------------

Interest credit			57.54
------------------------	--	--	-------

Closing Balance	As of February 28, 2021	\$	750,077.95
------------------------	-------------------------	----	------------

City of Newburgh Industrial Development Agency

2020 Investment Report

Requirements

Section 2925.6 of the New York State Public Authorities Law requires public authorities to “annually prepare and approve an investment report which shall include the investment guidelines..., amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last investment report.”

Investment Guidelines

The primary objectives of the Agency’s investment activities are to conform to all applicable federal, state, and other legal requirements; to adequately safeguard principal; to provide sufficient liquidity to meet all operating requirements; and to obtain a reasonable rate of return. The current investment policy is reviewed and adopted annually.

Investment Activity

The Agency’s deposits are fully insured or collateralized and consisted of the following as of December 31, 2020:

TD Bank, Newburgh, New York

Interest Income for the year 2020 was \$2,360.00.

Fees: No investment-related fees were incurred during the fiscal year of 2020.

Independent Audit

Please see IDA’s website for a copy of the most recent independent auditors’ report.

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY**

Resolution No. 2021-3-22-1

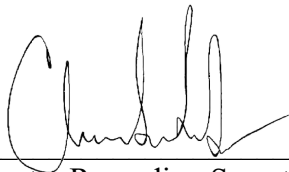
BE IT RESOLVED that the Board of Directors of the City of Newburgh Industrial Development Agency, in compliance with the transparency and compliance requirements of the New York State Authorities Budget Office, do hereby adopt:

1. the 2021 Mission Statement,
2. the 2021 Performance Measurements,
3. the 2020 Operations and Accomplishments,
4. the 2020 Investment Report, and the 2020 Certified Annual Audit;
5. the authorization for the Executive Director to certify the submission of the 2020 Annual PARIS Report to the Authorities Budget Office (ABO) and the Office of the State Comptroller,
6. and re-affirm compliance with the applicable laws and policies guiding the operations of the agency.

The following resolution was offered by Christina Amato, seconded by Nancy Thomas. It was duly put to vote, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Austin DuBois	x			
Nancy Thomas	x			
Christina Amato	x			
Marlon Ramos			x	
Gregory Nato	x			
Adam Pollick	x			
Michael Kelly			x	

This resolution was thereupon duly adopted on March 22, 2021.



Christina Amato, Recording Secretary
March 22, 2021

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY**

Resolution No. 2021-3-22-2

**RESOLUTION ADOPTING A
UNIFORM TAX EXEMPTION POLICY**

A regular meeting of the City of Newburgh Industrial Development Agency (the "Agency") was convened in public session by video conference in accordance with Governor Cuomo's Executive Order Nos. 202.1 as amended on March 22, 2021 at 6:00 o'clock p.m., local time.

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

Austin DuBois	Chairperson
Nancy Thomas	Vice Chairperson
Christina Amato	Secretary
Adam Pollick	Member
Gregory Nato	Member

ABSENT:

Michael Kelly	Member
Marlon Ramos	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Cherisse Vickers	Executive Director
Robert J. McLaughlin, Esq.	Agency Counsel

The following resolution was offered by Christina Amato, seconded by Nancy Thomas, to wit:

Resolution No. 2021-3-22-2

RESOLUTION ADOPTING A UNIFORM TAX EXEMPTION POLICY.

WHEREAS, the City of Newburgh 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" or the "Act") and Chapter 577 of the 1982 Laws of New York, as amended, constituting Section 913 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, subsection (4) of Section 874 of the Act, as added by Chapters 356 and 357 of the Laws of 1993 of the State of New York, requires that the Agency establish a uniform tax exemption policy, with input from affected tax jurisdictions; and

WHEREAS, in accordance with the Act, the Agency has adopted a uniform tax exemption policy (the “Existing Policy”) providing for guidelines for the claiming of real property, mortgage recording and sales tax exemptions; and

WHEREAS, members of the Agency conducted a review of the Existing Policy; and

WHEREAS, the Agency desires to amend and supplement the Existing Policy; and

WHEREAS, pursuant to Section 874 of the Act, prior to taking final action on amendments to the Existing Policy, the Agency adopted a resolution on February 15, 2021 to provide the affected tax jurisdictions prior written notice of the proposed amendments to the Existing Policy; and

WHEREAS, written notice of the proposed amendments to the Existing Policy was provided to the affected tax jurisdictions, including Orange County, the City of Newburgh, and the Newburgh Enlarged School District on or about March 2, 2021; and

WHEREAS, the Agency held a public hearing for the residents of the City of Newburgh and the affected tax jurisdictions to comment on the proposed amendments to the Existing Policy held on March 22, 2021 commencing at 1:00 PM; and

WHEREAS, in addition to the comments received at the public hearing, the Agency received no written comments from the affected tax jurisdictions or its residents; and

WHEREAS, the members of the Agency have fully considered all comments received on the amendments to the Existing Policy.

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

Section 1. In accordance with the Enabling Act, the Agency hereby adopts the Uniform Tax Exemption Policy in the form attached hereto as Exhibit A, with such additions and changes as approved at this meeting.

Section 2. The Chair and the Executive Director are authorized to publish and post the policy adopted by this Resolution in accordance with the provisions of the Enabling Act.

Section 3. 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:

Austin DuBois	VOTING	yea
Nancy Thomas	VOTING	yea
Marlon Ramos	VOTING	absent
Christina Amato	VOTING	yea

Michael Kelly	VOTING	absent
Gregory Nato	VOTING	yea
Adam Pollick	VOTING	yea

The foregoing Resolution was thereupon declared duly adopted

STATE OF NEW YORK)

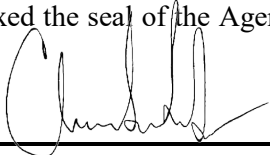
COUNTY OF ORANGE) ss.:
)

I, the undersigned Secretary of the City of Newburgh 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 March 22, 2021 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 ___ day of March 2021.



Secretary

(SEAL)

EXHIBIT A

UNIFORM TAX EXEMPTION POLICY

OF THE

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

ADOPTED MARCH 22, 2020

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

Uniform Tax Exempt Policy (UTEP)

Any qualified applicant that receives any financial assistance from the Agency will have signed an acknowledgement that their application and any attachments, will be made public on the IDA's web site pursuant to the State's Freedom of Information Law.

SECTION 1 – Mission and Overview

City of Newburgh Industrial Development Agency Mission

The mission of the City of Newburgh Industrial Development Agency is to help attract and contribute to: Newburgh's job opportunities, a diverse and net positive tax base to provide long term economic prosperity and sustainability, and advance the general welfare and standard of living for the city and its residents through the promotion, development, encouragement, and assistance of industrial, manufacturing, warehousing, commercial, technology, tourism initiatives, and recreational facilities, utilizing Green practices and adaptive re-use where available.

Statutes Authorizing IDAs and UTEPs

Pursuant to the authority vested in it by Article 18-A of the General Municipal Law of the State of New York, the City of Newburgh Industrial Development Agency ("agency") may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds or by participation in straight-lease transactions. The Agency has adopted this Uniform Tax Exempt Policy to provide guidelines for the claiming of real property, sales and use tax, and mortgage recording tax abatements (collectively, "Financial Assistance").

Policy

The policy of the Agency is to grant applicants requested Financial Assistance as described below. The Agency may, as part of its standard policy, grant enhanced benefits on a case-by-case basis, after following the process for deviation as outlined below, for projects expected to have a significant economic impact on the City, as determined by the Agency's members. The Agency acknowledges that previous models of development, e.g., heavy manufacturing projects, may no longer be likely in the City, but the Agency can assist in achieving other development goals such as commercial, retail, adaptive re-use projects, etc., that might be a better fit for the City's economic, land use and zoning needs and landscape, as a diverse urban community.

The goal of this UTEP is to support and assist in the implementation of projects that have been reviewed by the City's boards and committees. The Agency has as a goal that the projects receiving Financial Assistance are energy efficient. Any project receiving consideration for Financial Assistance must assist in the growth of our region to strengthen the local economy and provide opportunities for all City residents.

Program Objectives

The purpose of the Agency is to serve as an economic development tool—often in conjunction with other financing and economic development programs--to provide support to projects for industrial, commercial, research, qualified retail, educational, health-related, tourism, cultural and other businesses in order to offer economic incentives to City of Newburgh businesses. It furthermore seeks to

stimulate desirable and diverse economic development in the City in order to create and retain quality employment opportunities and to strengthen the local tax base for long term sustainability. Its support consists of serving as a vehicle for medium and long term, low interest, financial assistance for capital projects through the issuance of Industrial Revenue Bonds (IRBs) and other incentives. Eligible costs include: acquisition, construction, expansion, rehabilitation, and purchase of equipment.

Financial Assistance

IDAs provide four basic forms of financial assistance (collectively, "Financial Assistance") through tax incentives to qualified applicants in order to promote the economic welfare, prosperity and recreational opportunities for residents of the municipality:

1. Mortgage recording tax exemption;
2. Sales and use tax exemption (as related to the construction of a project);
3. Real property tax reduction via a payment-in-lieu-of-taxes ("PILOT") phased in to full assessment over the duration of the project term; and
4. Lower interest rates for debt incurred as part of the Project.

All four instruments will be evaluated to assist the Agency in optimizing the incentive package not solely for the applicant, but also for the City (e.g., sales tax exemption may be less costly than a PILOT; mortgage recording tax exemption may be less costly to City than other incentives but still offer value to an applicant).

SECTION 2 – Standard Incentive Program for Commercial Development

In making the discretionary decision to provide any Financial Assistance, the Agency will first consider the following criteria to determine if a standard incentive program has been met:

1. an assessment by the Agency of all material information included in connection with the Agency's Uniform Application for financial assistance, as necessary to afford a reasonable basis for the decision by the Agency to provide financial assistance for the Project;
2. a written (Net Fiscal Impact) cost-benefit analysis by the Agency that identifies the extent to which a Project will create and retain permanent, private sector jobs (primary and secondary); the estimated value of any tax exemptions to be provided; the amount of private sector investment generated or likely to be generated by the proposed Project; the likelihood of accomplishing the proposed Project in a timely fashion; and the extent to which the proposed Project will provide additional sources of NET Positive revenue for municipalities and school districts; and any other public benefits that might occur as a result of the Project; whether Financial Assistance is required to induce the Project and "but for" such assistance, the Project could not move forward, or a statement from the applicant as to why the Agency should provide Financial Assistance;
3. the estimated value of any other benefits that the City may be providing;
4. the impact of the proposed Project on existing and proposed businesses and economic development projects in the vicinity;
5. the effect of the proposed Project on the environment;
6. the impact of the proposed Project on municipal services, including, but not limited to, addition of school age children, transportation, police, emergency medical or fire services, DPW;

7. the extent to which the proposed Project will provide additional NET Positive sources of revenue for the municipality and school district;
8. the financial feasibility of the Project;
9. public support for, or opposition to, the proposed Project.

General Financial Information Necessary to Apply

- Composition of applicant's current real estate portfolio at the time of pre-application (including type of project and number of square feet or units owned and/or managed).
- Applicant's recent history in obtaining financing commitments for real estate development projects, detailing type of project, financing source and amounts committed.
- Bank references for the applicant and financial equity partner.
- Financial statements for the past three (3) years prior to the time of pre-application from the applicant and each participating principal, partner, or co-venturer that includes the value of assets each participant would contribute to the applicant and verifications that such assets are available. The financial statement may also include any additional information that will be useful in evaluating the applicant's financial reliability and past ability to finance projects. (If audited financial statements are not available, please provide certified financial statements. All statements, audited or certified, should be in accordance with generally accepted accounting principles consistently applied).
- For applicant and its development team, a statement regarding any debarments, suspensions, bankruptcy or loan defaults on real estate development projects and/or government contracts.
- A statement describing the expected equity requirements and sources, the anticipated sources of working capital, and the anticipated sources for financing the project, including its construction.

Underwriting & Independent Verification

Applicants shall be required to provide documentation such as bank commitment letters to show financial stability and real estate appraisals for expert and independent opinions.

SECTION 3 – Financial Assistance Tools

Mortgage Recording Tax Exemption

State law provides that mortgages recorded by the Agency are exempt from mortgage recording taxes imposed pursuant to Article 11 of the Tax Law.

The Agency has a general policy of abating mortgage recording taxes for Applicants under the following circumstance:

1. Initial financing from the Agency with respect to which Agency issues debt secured by a mortgage upon real property;
2. In instances where the initial financing commitment provides for a construction financing of the Agency to be replaced by a permanent financing of the Agency immediately upon the completion of the Project, the Agency's general policy is to abate the mortgage recording tax on both the construction financing and the permanent financing.

3. Refinancing of prior debt issued by the Agency, and on any modifications, extensions and renewals thereof, so long as the Agency fees relating to same have been paid.

A. Non-Agency Financings — With respect to straight lease or installment sale transactions where the Project occupant needs to borrow money for purposes relating the Project, and the lender will not make the loan to the Project occupant without obtaining a fee mortgage as security, the policy of the Agency is to consent to the granting of such mortgage and to join in such mortgage, so long as the following conditions are met:

1. The documents relating to such proposed mortgage make it clear that the Agency is not liable on the debt, and that any liability of the Agency on the mortgage is limited to the Agency's interest in the Project;
2. The granting of the mortgage is permitted under any existing documents relating to the Project, and any necessary consents relating thereto have been obtained by the Project occupant; and
3. Payment of the Agency fee relating to the total Project cost.
4. Reverter if default (see “Recapture” Section 6)

B. Exemption Affidavit — The act of granting a mortgage recording tax exemption by the Agency is confirmed by the execution by an authorized officer of the Agency of an exemption affidavit relating thereto.

C. PILOT Payments — If the Agency is a party to a mortgage that is not to be granted a mortgage recording tax exemption by the Agency (a “non-exempt mortgage”) then the applicant and/or Project occupant shall pay the same mortgage recording taxes with respect to same as would have been payable had the Agency not been a party to said mortgage (the “normal mortgage tax”). Such mortgage recording taxes are payable to the County Clerk, who shall in turn distribute same in accordance with law.

If for any reason a non-exempt mortgage is to be recorded and the Agency is aware that such non-exempt mortgage may for any reason be recorded without the payment of the normal mortgage tax, then the Agency shall prior to executing such non-exempt mortgage collect a PILOT equal to the normal mortgage tax and remit same within thirty (30) days of receipt by the Agency to the affected tax jurisdiction in accordance with Section 874(3) of the Act.

Sales and Use Tax Exemption

State law provides that purchases of tangible personal property by the Agency or by an agent of the Agency, and purchases of tangible personal property by a contractor for incorporation into, or improving, maintaining, servicing or repairing real property of the Agency, are exempt from sales and use taxes imposed pursuant to Article 28 of the Tax Law.

The Agency has a general policy of abating sales taxes applicable only to the initial acquisition, construction, reconstruction and/or equipping of each Project with respect to which the Agency grants financial assistance.

A. **General** — The Agency has no requirement for imposing a payment-in-lieu-of-tax arising from the exemption of a Project from sales and/or use taxes applicable to the initial acquisition, construction and/or equipping of such Project, except

In the circumstance where (a) a Project is offered sales tax exemption on the condition that a certain event (such as the issuance of bonds by the Agency with respect to the Project) occur by a certain date, and (b) such event does not occur, in which case the Agency may require that the Applicant make payments in lieu of sales tax to the New York State Department of Taxation and Finance.

B. **Period of Exemption** — Except as set forth in subsection (A) above, the period of time for which a sales tax exemption shall be effective (the "Tax Exemption Period") shall be determined as follows:

1. **General** — Unless otherwise determined by the Agency, the tax exemption for sales and use taxes shall be for the Tax Exemption Period commencing with the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect to the Project, or the execution and delivery by the Agency of a lease agreement relating to such Project, and ending on the date of completion of the Project.

2. **Early Commencement** — The Tax Exemption Period may, at the discretion of the Agency, commence earlier than the date of issuance by the Agency of the Agency's bonds, notes or evidences of other debt relating to the Project or the execution and delivery by the Agency of a lease agreement relating to the Project, provided that:

- (a) The Agency has complied with the requirements of Section 859-of the Act,
- (b) The Agency thereafter adopts a resolution determining to commence such period earlier,
- (c) The Applicant or Project occupant agrees to the conditions of such resolution and supplies to the Agency the materials required to be supplied to the Agency thereunder, and
- (d) The Chairman or Executive Director of the Agency acknowledges satisfaction of all conditions to the granting of such tax exemption set forth in such resolution.

3. **Normal Termination** — The Tax Exemption Period will normally end upon the completion of the Project. On construction Projects, the Agency and the Applicant shall agree on the estimated date of completion of the Project, and the sales and use tax exemption shall cease on the earlier of

- (a) The actual date of completion of the Project, or
- (b) The date which is six (6) months after the estimated date of such Project. On non-construction Projects, the Agency and Applicant shall agree on the estimated date of completion of the Project, and the sales and use tax exemption shall cease on the earlier of
 - (i) The actual date of completion of the Project, or
 - (ii) The date which is three (3) months after the estimated date of completion of the Project.

If the Agency and the Applicant shall fail to agree on a date for completion of the Project, the Agency shall on notice to the Applicant make the determination on the basis of available evidence.

4. **Later Termination** — The Agency, for good cause shown, may adopt a resolution extending the period for completion of the Project and/or extending the Tax Exemption Period.

5. **Items Exempted** — The sales and use tax exemption granted by the Agency shall normally extend only to the following items acquired during the Tax Exemption Period described in subsection (B) above:

- a. Items incorporated into the real property;

- b. The rental of tools and other items necessary for the construction and/or equipping of the Project, if rented as by Applicant as agent of the Agency;
- c. Tangible personal property, including furniture, furnishings and equipment used to initially equip the Project or otherwise forming part of the Project, if purchased by Applicant as agent of the Agency; and
- d. Office supplies, fuel and similar items consumed in the process of acquiring, constructing and/or equipping the Project, if purchased by Applicant as agent of the Agency.

C. Items Not Exempted — A sales and use tax exemption with respect to an Applicant shall not be granted for the following:

1. Purchases occurring beyond the tax exemption period described in subsection (B) above;
2. Repairs, replacements or renovations of the Project, unless such repairs, replacements or renovations constitute major capital-type expenses approved by the Agency as a separate Project in the manner contemplated by the Act; or
3. Operating expenses, unless such operating expenses constitute major capital-type expenses approved by the Agency as a separate Project in the manner contemplated by the Act.

D. Percentage of Exemption — Unless otherwise determined by resolution of the Agency, the sales and use tax exemption shall be equal to one hundred percent (100%) of the sales and/or use taxes that would have been levied if the Project were not exempt by reason of the Agency's involvement in the Project. If an exemption of less than one hundred percent (100%) is determined by the Agency for any reason, such as in the case of a single project which contains both permitted and non-permitted IDA abated uses, creating a percentage of IDA "Exemption", then the Applicant shall be required to pay a PILOT to the Agency equal to the applicable percentage of sales and/or use tax liability not being abated. The Agency shall remit such PILOT within thirty (30) days of receipt by the Agency to the Affected Tax Jurisdictions in accordance with Section 874(3) of the Act.

E. Appointment as Agency Agent — The final act of granting a sales and/or use tax exemption by the Agency shall be confirmed by the appointment of the Project owner (the "Owner") as Agency agent, with the authority to purchase Project-related property and services using the Agency's sales tax exemption. The Agency must file Form ST-60 with the New York State Department of Tax and Finance within 30 days after the appointment.

The Owner must notify the Agency of each sub-agent appointment, so the Agency can sign the required Form ST-60 for the sub-agent. Contractors and subcontractors who have not been appointed Agency agent or sub-agent cannot use the sales tax exemption for equipment rentals, tools, supplies, and other items that do not become part of the finished project. All Project contractors and subcontractors must be appointed as agent or subagent of the Agency in order to use the sales tax exemption for Project-related purchases. Owners and other properly appointed Agency agents and sub-agents claim the sales tax exemption for all purchases by giving their vendors Form ST-123. All bills, invoices and other documents for Project-related purchases by Agency agents and sub-agents should specifically indicate the purchase is made as agent of the Agency (i.e., name of purchaser is "ABC Company, as agent of the Schenectady County IDA").

F. Required Filings — The New York State Department of Taxation and Finance requires that all Agency agents and sub-agents Owner must file Form ST-340 with the Department and the Agency on or before the last day of February each year. The ST-340 reports the amount of Agency sales tax exemptions claimed

for the prior calendar year. The Owner's agreements with its contractors and subcontractors should require the contractors and subcontractors to provide the annual information regarding the amount of sales tax exemptions claimed.

Real Property Tax Abatement

In New York State, property owners pay a real property tax based on the assessed value of the land and of the improvements to a site. Any real property owned or controlled by an IDA is not subject to ad valorem real property taxes. However, real property owned or controlled by an IDA continues to be subject to special assessments and user fees. When an IDA takes title to or a leasehold interest in real property, the property becomes 100% exempt from ad valorem real property taxes. To accommodate the needs of the local taxing jurisdictions, however, the Agency generally negotiates a Payment-In-Lieu-Of-Tax Agreement ("PILOT Agreement") with the applicant, sometimes taking into consideration the percentage of exemption exception above. Each Project receiving an abatement will be subject to a PILOT Agreement in a form acceptable to the Agency. The Agency will then direct, or receive and forward, these payments-in-lieu-of-taxes ("PILOT") to the affected taxing jurisdictions.

IDAs generally limit the period an exemption is in effect so as to provide the minimum amount of certainty and stability needed for a project to become self-sustaining, at which point the project will become part of the full tax paying rolls for the benefit of the municipality's economic sustainability, not drain, per the IDA's mission. It is not the purpose of a PILOT to provide long term exemption from the reality of the municipality's tax needs. The abatement is from uncertain increases in tax, not any and all payments; in all cases the project's PILOT term results in a net increase in the project site's contribution to the municipality's revenue.

The Agency may require the establishment of a PILOT mortgage ("PILOT Mortgage") as a condition in order to secure the position of the PILOT payments versus other secured and unsecured claims. The purpose of a PILOT Mortgage is to secure unpaid PILOT payments with a lien against the real estate, thus making the PILOT Agreement a secured obligation. The Agency may negotiate alternative forms of collateral to insure payments, such as reverters (see "Recapture" section), under the PILOT Agreement.

Terms

Unless otherwise approved by the Agency, the period of exemption available is ten years (10) depending on the nature of the project. The Agency reserves the right to deviate from this structure as provided by the statute.

A 10-year PILOT - For projects that qualify for the ten-year schedule, the initial period shall be ten (10) years, and (ii) the percentage of each tax year shall be set forth in the table below. The Agency will consider the following variables when examining a commercial adaptive reuse project:

- Creation of Jobs - Local employment / training, and utilization of local suppliers and services
- Addition of Net Positive Tax Ratables and Support to Local Taxing Jurisdictions - level of community impacts
- Fulfillment of Need and Contribution to Surrounding Neighborhood, Community and Existing Uses / Structures
- Historic Appropriateness
- Green Practices

- Adaptive Reuse -
 - Architectural significance
 - History in the Community and age of the building
 - Barriers to Development
 - Amount of time the building has been vacant, underutilized or underperforming on the tax rolls
 - Whether reuse of the building will involve environmental remediation costs
- Financial and long term health / sustainability of a project
- Benefit necessity to a Project's ability to move forward or not

10 Years	485(b)
100%	50%
75%	45%
75%	40%
75%	35%
60%	30%
50%	25%
40%	20%
30%	15%
20%	10%
10%	5%

The Agency’s basic policy provides for a graduated schedule of abatement applicable to County, City and School taxes. The Agency will consider Project factors when determining the amounts to be paid under the PILOT Agreement but in no event will the payments under the PILOT Agreement be less in amount than the aggregate County, City and School taxes immediately prior to entering into the PILOT Agreement. The Agency reserves the right in its sole discretion to refuse to grant any abatement of County, City and School taxes and to require payments under the PILOT Agreement equal to one hundred percent (100%) of the amount that would otherwise be due and payable for County, City and School taxes.

SECTION 4 - TRANSFERS OF PAYMENT-IN-LIEU-OF-TAX (“PILOT”) AGREEMENTS

The Agency may consider the assignment of a PILOT upon the submission of a complete application of the new applicant and a new public hearing being held.

SECTION 5 - PILOT DISCOUNT (“DEVIATION”)

PILOT Discount (“Deviations”)

The Agency may, in accordance with this Section 5 and Section 874 of the IDA Act, deviate from the standard policy with respect to the number of years for a PILOT and its amount on a case-by-case basis to provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviation from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdiction. The Agency considers the following factors in making such determination, no single one of which is determinative:

1. The nature of the proposed project (e.g., manufacturing, commercial, civic);
2. The nature of the property before the project begins (e.g., vacant land, vacant buildings, brownfield);

3. The economic condition of the area at the time of the application;
4. The extent to which a project will create or retain permanent, private-sector jobs;
5. The estimated value of tax exemptions to be provided;
6. The impact of the project and the proposed tax exemptions on affected tax jurisdictions;
7. The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity;
8. The impact of the proposed project on municipal services, including, but not limited to, the addition of school age children, transportation, police, emergency medical or fire services, DPW;
9. The amount of private sector investment generated or likely to be generated by the proposed project;
10. The likelihood of accomplishing the proposed project in a timely fashion;
11. The effect of the proposed project upon the environment
12. The development, redevelopment, betterment, and more complete use of existing "downtown", underdeveloped land, historic district, and blighted areas;
13. The type of development- Retail, office, manufacturing, commercial, Transit Oriented Development or any development providing the highest and best use for positive tax ratables
14. The creation of tourism or cultural destinations
15. Development that includes Adaptive Re-use/Infill/Revitalization of vacant or underutilized properties;
16. Development of architecturally and historically significant properties;
17. The extent to which the proposed project will provide additional sources of NET Positive revenue for municipalities and school districts in which the project is located;
18. The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located;
19. The extent to which the project will utilize to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures

Any deviations from the Agency's standard policy will be made only with the specific approval of its members based on the factors listed in this Section 5 and those, if any, described in Section 874 of the IDA Act. The Agency will set forth in writing its reasons for approving any deviation and will notify the affected taxing jurisdictions of the proposed deviation from such policy and the reasons therefor.

Cost-Benefit Analysis

In the event of a proposed increase in the amount or terms of its financial assistance, the applicant must provide a Net Fiscal Impact, per the requirement in section 2 and the Agency will review and conduct its own cost-benefit analysis to determine the need for any such deviation and total PILOT value, which shall include:

- Financial documentation including a comparison of standard vs. proposed abatement;
- An explanation of the financial assumptions used in the analysis;
- Operational budget vs. capital cost of project;
- Additional documentation relating to whether "but for" such assistance, the Project could not move forward; and
- Public infrastructure costs and impacts (e.g., school district).

SECTION 6 – RECAPTURE OF BENEFITS GUIDELINES

The Agency, in its sole discretion and on a case-by-case basis, may determine with respect to a particular project to require the project applicant to agree to the recapture by the Agency of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include, but shall not be limited to, the following:

Recapture Trigger Events

1. Sale or closure of facility;
2. Departure of the business or organization from the City;
3. Significant change in use of facility;
4. Significant employment reduction;
5. Significant change in business activities of project applicant or operator; or
6. Material non-compliance with or breach of terms of Agency transaction documents.
7. Failure to respond to Agency inquiries concerning payments of principal and interest;
8. Failure to respond to Agency inquiries concerning insurance coverage or failure to provide insurance certificates when and as required by the Agency transaction documents;
9. Failure to respond to Agency inquiries regarding payment of monies in lieu of taxes, insurance premiums;
10. Failure to comply with annual reporting requirements or provide the Agency with the requested information
11. Failure to respond to Agency inquiries or failure to provide the Agency with any information or documents requested by the Agency in order to provide any federal, state or local Agency with information or reports required under any applicable law, rule or regulation;
12. Failure to provide any other information concerning the project or the project application or any project operator requested by the Agency Material noncompliance with or breach of terms and conditions of Agency transaction documents or breach of any zoning, land use or federal, state or local environmental laws or regulations, material obligations by the project occupant to the United States, New York State, any of its political subdivisions, the affected taxing jurisdictions in which obligations were imposed in connection with the Project;
13. Any reduction in taxes to the City or significant increase / deviation from projected net impact on city services in any given year, if any, that any such projected revenues and/or economic benefits are set forth in the PILOT Agreement or other Agency transaction documents;
14. Ceasing to be an eligible "project" under and as defined in the IDA Act;

Upon the occurrence of any of the events listed in this Section 6, the Agency will, upon at least ten (10) calendar days written notice to the project applicant, hold a hearing at which the project applicant will have the opportunity to provide, or explain its failure to provide, the information requested by the Agency. Within thirty (30) calendar days after the hearing, the Agency will issue a determination whether and to what extent it will require recapture of the value of tax exemptions granted with respect to the project by virtue of the Agency's involvement.

SECTION 7 - APPLICATION PROCESS

Environmental Compliance	Before undertaking any project, an IDA must comply with the New York State Environmental Quality Review Act.
Preliminary Meeting	Project owner and financial officer meet with the Agency Executive Director to review the eligibility requirements.
Introduction of AGENCY Counsel	Discussions with Agency Counsel as to eligibility under IDA Act and IRS Code.
Underwriter/Lender Meeting	Project owner and financial officer meet with investment bankers/lender to underwrite or finance potential financing and/or bond issue.
Application Submittal	Project owner submits completed application to the Agency Executive Director. <ul style="list-style-type: none">• Review by staff• Independent, third-party cost-benefit analysis• Presentation to Agency (or its subcommittee)
IDA Inducement Resolution	Project is induced by initial resolution allowing IDA Executive Director and Chairman to continue negotiations with the project owner relating to issues concerning bond issues and/or sales/use, mortgage and property related tax benefits.
Public Hearing Notification	Public hearing notice summarizing the details of the project and the financial assistance is published in the official newspaper with 10 days' notice prior to hearing date.
Public Hearing Meeting	Applicant/proponent of the Project must make a presentation at each public hearing scheduled in connection with the Project.
Final Authorizing Resolution	Agency counsel will prepare authorizing resolution for the board to vote on.
Forms of Security	Underwriter/lender will arrange a letter of credit or other form of security for bond issues or financing.
Bond Offering	If bond issue, underwriter and Agency Counsel coordinate preparation of bond offering documents.
Closing	Contracts and other documents necessary to consummate transaction with are executed by the company, Agency, lender, underwriter and any other interests. Bond or loan funds may be escrowed and will be available for disbursement to the company.

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY**

Resolution No. 2021-03-22-03

**RESOLUTION AUTHORIZING A STATE DISASTER
EMERGENCY GRANT FOR A SMALL BUSINESS**

A regular meeting of the City of Newburgh Industrial Development Agency (the “Agency”) was convened by video conference (“Zoom”) in accordance with the State of Emergency declared by the City Mayor on March 16, 2020 and Governor Cuomo’s Executive Order No. 202.1, as amended and extended, on January 11, 2021 at 6:00 o’clock p.m., local time.

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

PRESENT:

Austin F. DuBois	Chairperson
Nancy Thomas	Vice Chairperson
Christina Amato	Secretary
Adam C. Pollick	Member
Gregory Nato	Member

ABSENT:

Michael Kelly	Member
Marlon M. Ramos	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Cherisse Vickers	Executive Director
Robert J. McLaughlin, Esq.	Agency Counsel

The following resolution was offered by Christina Amato, seconded by Adam Pollick, to wit:

**RESOLUTION AUTHORIZING A STATE DISASTER
EMERGENCY GRANT FOR A SMALL BUSINESS**

WHEREAS, the City of Newburgh 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 577 of the 1982 Laws of New York, as amended, constituting Section 913 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, Executive Order 202 of 2020, as amended, declared a state disaster emergency; and

WHEREAS, Chapter 109 of the Laws of 2020 made certain amendments to the Enabling Act, authorizing the Agency to establish a grant program for eligible small businesses for the purpose of acquiring personal protective equipment or the installation of fixtures necessary to prevent the spread of novel coronavirus, COVID-19, during the period in which Executive Order 202 of 2020, as amended, is in effect; and

WHEREAS, Executive Order 202 of 2020 remains in effect; and

WHEREAS, to address the need determined to exist in the City, by Resolution dated October 26, 2020, the Agency established the City of Newburgh Industrial Development Agency State Disaster Grant Program (“SDGP”) in accordance with Chapter 109 of the Laws of 2020, and the Enabling Act, upon such terms as determined by the Agency; and

WHEREAS, the Agency has received several SDGP applications from the following entities: Active Ventilation Products Inc., J&F Restaurant Inc., and Safe Harbors of the Hudson, Inc. – Cornerstone Residence; and

WHEREAS, the Executive Director has reviewed the applications submitted by the SDGP Applicants and has recommended the Agency approve the requests, not to exceed the amount of \$2,500.00 per entity in accordance with the terms hereof.

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

Section 1. The Agency hereby determines the following: (i) the SDGP Applicants are small businesses of not more than 50 employees; (ii) was and are financially viable small businesses located in the City of Newburgh, and have been in business for a minimum of ten years; (iii) the SDGP Applicants conduct business in the area served by the Agency; and (iv) the SDGP Applicants have been negatively affected by the state disaster emergency.

Section 2. The Agency authorizes an SDGP grant for each applicant—Active Ventilation Products Inc., in an amount of \$2,500.00, for which expenses have been received of \$3,194.72; J&F Restaurant Inc., in an amount of \$2,500.00, for which expenses have been received of \$2,529.00; and Safe Harbors of the Hudson Inc., - Cornerstone Residence in an amount of \$2,433.43, for which expenses have been received of \$2,433.43. These grants are for reimbursing the SDGP Applicants for the cost of acquiring personal protective equipment or installing fixtures necessary to prevent the spread of novel coronavirus, COVID-19, during the period in which Executive Order 202 of 2020 is in effect.

Section 3. The Chair, the Executive Director and Agency Counsel are directed to prepare such agreements as are necessary and consistent with the Enabling Act to provide the SDGP grants to the SDGP Applicants in accordance with this resolution.

Section 4. This Resolution shall take effect immediately.

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

Austin F. DuBois	VOTING	yea
Nancy Thomas	VOTING	yea
Marlon M. Ramos	VOTING	absent
Christina Amato	VOTING	yea
Michael Kelly	VOTING	absent
Adam C. Pollick	VOTING	yea
Gregory Nato	VOTING	yea

The foregoing resolution was thereupon declared duly adopted.

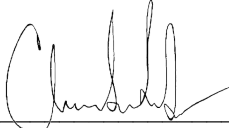
STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

I, the undersigned Secretary of City of Newburgh Industrial Development Agency (the “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on March 22, 2021 with the original thereof on file in my office, and that the same is a true and correct copy of said original 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”) as amended by Executive Order No. 202.1, as amended, said meeting was open to the general public, and due notice of the time and place of said meeting was 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 ___ day of March, 2021.



Secretary

(SEAL)