

## **PILOT RESOLUTION**

A regular meeting of the County of Oswego Industrial Development Agency convened in public session on April 27, 2023 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

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

**PRESENT:** Nick Canale, Jr., Marc Greco, Tricia Peter-Clark, H. Leonard Schick, Tim Stahl, and Gary T. Toth

**ABSENT:** Barry Trimble

**ALSO PRESENT:** Ed Alberts, Kevin C. Caraccioli, Amber Hall, Kevin LaMontagne, Kera Patterson, Terry Rasmussen, Abby Weaver, and Austin Wheelock

The following resolution was duly offered and seconded

### **RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANIES**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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 grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction, reconstruction, renovation, installation and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Market House Oswego, LLC on behalf of itself or an entity formed or to be formed by it or on its behalf (the “**Real Estate Holding Company**”), and 1836 Brewing Company, LLC on behalf of itself or an entity formed or to be formed by it or on its behalf (the “**Brewery Operating Company**”), submitted an application to the Agency on or about March 7, 2023 (“**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the “**Project**”) for the benefit of the Real Estate Holding Company and the Brewery Operating Company, said Project consisting of the following: (A) (i) the acquisition of a leasehold interest in approximately 0.22 acres of real property located at 1 West Bridge Street (tax map no. 128.55-02-03) in the City of Oswego, County of Oswego, State of New York (the “**Land**”) and the existing approximately 18,800 square foot three-story building located thereon (the “**Existing Building**”); (ii) the renovation of the Existing Building to contain four (4) residential rental units on each of the second and third floors and common space related thereto (collectively, the “**Residential Unit**”) and a brewery in the basement and on the first floor (the “**Retail Unit**”) together with related site improvements (all of the foregoing, collectively, the “**Facility**”); (iii) the acquisition and installation therein and thereon of various building materials, furniture, fixtures, machinery, equipment and personal property not part of the Equipment (the “**Facility Equipment**” and, together with the Land and the Facility, the “**Company Facility**”), which Company Facility is to be leased and subleased by the Agency to the Real Estate Holding Company and the Real Estate Holding Company will operate the Residential Unit; and (iv) the acquisition and installation of certain various building materials, furniture, fixtures, machinery, equipment and personal property for the Retail Unit (collectively, the “**Equipment**” and together with the Company Facility, the “**Project Facility**”), and the Retail Unit is to be subleased by the Real Estate Holding Company to the Brewery Operating Company and the Brewery Operating Company will operate the Retail Unit; (B) the granting of certain financial assistance in the form of exemptions from real property taxes, real estate transfer taxes, mortgage recording tax (except as limited by Section 874 of the New York General Municipal Law) and State and local sales and use tax (collectively, the “**Financial Assistance**”); (C) the granting of \$200,000 from the Agency’s HUD EDF loan fund (the “**EDF Loan**”) and (D) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the Agency and the lease (with an obligation to purchase) or sale of the Equipment to the Brewery Operating Company or such other person as may be designated by the Brewery Operating Company and agreed upon by the Agency; and

**WHEREAS**, the Agency adopted a resolution on March 23, 2023 describing the Project, the Financial Assistance and authorizing a public hearing (the “**Initial Resolution**”); and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on April 25, 2023 pursuant to Section 859-a of the Act, notice of which was published on March 30, 2023 in The Post Standard, a newspaper of general circulation in the County of Oswego, New York; and



**WHEREAS**, in accordance with the requirements of Section 859-a of the Act, written notice of the Public Hearing dated March 27, 2023 and a copy of the Initial Resolution was delivered by the Agency by certified mail, return receipt requested, to the chief executive officer of each affected local taxing jurisdiction, including the school board and district superintendent of the Oswego City School District; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA) and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

**WHEREAS**, on April 27, 2023, the Agency adopted a resolution affirming and adopting the City of Oswego Planning Board’s determination that pursuant to the State Environmental Quality Review that the Project constitutes a Type I action and will not have a significant effect on the environment (the “**SEQRA Resolution**”); and

**WHEREAS**, on April 27, 2023 the Agency adopted a Resolution (the “**Inducement Resolution**”) agreeing to undertake the Project and appointing the Companies as its agents for purposes of completing the Project Facility; and

**WHEREAS**, in the Application, the Companies also requested that the Agency consider a payment in lieu of taxes agreement (the “**PILOT Agreement**”) with respect to the Project Facility, pursuant to a payment in lieu of tax schedule (the “**PILOT Schedule**”), more fully described on **Exhibit “A”** attached hereto; and such schedule constitutes a deviation from the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to Section 874(4) of the Act, but comports with other payment in lieu of taxes schedules relative to other similar projects; and

**WHEREAS**, by letters dated April 14, 2023, the Agency gave to the chief executive officers of the affected taxing jurisdictions notice pursuant to Section 874 of the Act of this meeting at which the Agency would consider the Companies’ request for a PILOT schedule which deviates from the UTEP; and

**WHEREAS**, prior to the date hereof, the Agency responded to all communications and correspondence received from the affected taxing jurisdictions regarding the proposed deviation from the UTEP; and

**WHEREAS**, no representatives from the affected tax jurisdictions were present at this meeting to address the Agency regarding such proposed deviation from the UTEP; and

**WHEREAS**, the Agency has given due consideration to the Application and to the representations by the Companies that the provision of Financial Assistance: (i) will induce the

Companies to develop the Project Facility in the City of Oswego, County of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Companies or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Companies or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities, the health, general prosperity and economic welfare of the people of the State and the County of Oswego and improve their standard of living.

**NOW, THEREFORE,** be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** The Agency ratifies all prior resolutions passed in connection with this proposed Project (collectively, the “***Resolution***”).

**Section 3.** Based upon the representations made by the Companies to the Agency, and the reasons presented by the Companies in support of its request for the PILOT schedule, as set forth on **Exhibit “A”** attached hereto, the PILOT schedule is hereby approved subject to the terms and conditions of the Resolutions. The Chief Executive Officer and the (Vice) Chairperson of the Board are each hereby authorized to execute and deliver a PILOT Agreement and any related documents reflecting the PILOT schedule in a form substantially similar to PILOT agreements used in similar transactions with the Agency which is acceptable to the Chief Executive Officer or the (Vice Chairperson) upon advice of counsel.

**Section 4.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 5.** A copy of this Resolution, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 6.** The Chief Executive Officer and/or Chairperson of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Companies and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution as well as all previously approved Resolutions.

**Section 7.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Companies, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance, including, but not limited to, a PILOT Agreement.

**Section 8.** This Resolution shall take effect immediately.

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



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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Tricia Peter-Clark	X				
Marc Greco	X				
Tim Stahl	X				
H. Leonard Schick		X			
Gary T. Toth	X				
Barry Trimble				X	

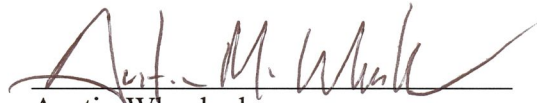
The resolution was thereupon declared duly adopted.

STATE OF NEW YORK    )  
                                      ) ss.:  
COUNTY OF OSWEGO    )

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, **DO HEREBY CERTIFY** that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on April 27, 2023, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

**I FURTHER CERTIFY** that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Article 7 of the Public Officers Law (the “**Open Meetings Law**”), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Open Meetings Law, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the Agency on April 27, 2023.

  
Austin Wheelock  
Chief Executive Officer

(SEAL)

## **EXHIBIT “A”**

### **PILOT SCHEDULE**

Term: 25 Years

Annual payments: Years 1-5: \$15,000  
Years 6-10: \$18,000  
Years 11-15: \$21,000  
Years 16-20: \$24,000  
Years 21-25: \$27,000

Distribution of annual PILOT Payments will be based on the pro-rata share of each of the taxing authorities for each respective year.