AMENDED AND RESTATED
CITY OF RENSSELAER INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

To promote economic activity and to broaden the City of Rensselaer's tax base and employment prospects in the long run, the general policy of the City of Rensselaer Industrial Development Agency (the "Agency") is to grant applicants real property tax abatements and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant enhanced benefits on a case by case basis for a project expected to have a significant economic impact on City of Rensselaer, as determined by the Agency, which enhanced benefits shall be determined and granted in the sole and absolute discretion of Agency.

A. Real Property Taxes.

The Agency maintains a policy for the provision of real property tax abatements for qualified projects. The abatement provided applies to value added by construction or renovation and the existing parcel involved; provided, however, in no event will the involvement by the Agency result in revenue to the affected tax jurisdictions in any tax year less than the revenues received in the tax year preceding involvement by the Agency. The period of the exemption varies in length, but will not exceed twenty (20) years, as set forth on Exhibit "A", unless a deviation in the maximum length is approved by the Agency, in the sole and absolute discretion of the Agency. The Agency's policy results in a declining schedule of abatement applicable to County, Municipal and School taxes for the type of project set forth on Exhibit "A" attached hereto. Special district charges or special assessments will not be entitled to an exemption under the Pilot Agreement. The schedule attached hereto as Exhibit "A" is the Uniform Tax Policy of the Agency. Each schedule will result in increasing percentages of taxes due as set forth on Exhibit "A" attached hereto. Eligible projects include industrial projects (i.e. manufacturing, remanufacturing, assembly, process, product research and development, etc.) and non-industrial projects (i.e. warehouse, wholesale/distribution, apartment buildings, qualified mixed-use residential/commercial development, qualified retail, office, hotel, etc.).

Any deviations from the standard policy will be made only with the specific approval of the Agency based on the factors listed in Paragraph E and those described in the New York State General Municipal Law Section 874(4)(a). Additionally, the Agency shall notify the affected tax jurisdictions of the proposed deviation from such policy and the reasons therefore.

The Agency will use existing tax data to negotiate the payment in lieu of tax agreement and, therefore, appraisals will not normally be required.

B. Payment in Lieu of Taxes.

Upon approval of the Agency, each project may receive an abatement in the form of a Payment in Lieu of Tax Agreement ("PILOT Agreement") in a form acceptable to the Agency for the type of project listed on Exhibit "A". The Agency will consider project factors, similar to those described in paragraph E herein, when determining the amounts to be paid under the PILOT Agreement. A copy of the PILOT Agreement will be forwarded to each of the affected tax jurisdictions within fifteen (15) days of execution. Unless otherwise agreed by the Agency with the concurrence of the affected tax jurisdictions, such payments shall be allocated among the tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the project not been tax exempt due to the status of the Agency involved in the project.

At the election of the Agency, the PILOT payments may be secured by a first priority PILOT mortgage on the subject facility so as to secure the PILOT Payments with the equivalent priority to regular tax payments.

C. Sales and Use Tax Exemptions.

1) Purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services are made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e. certificate of occupancy) or until the date certain established by the Agency on a project-by-project basis. Operating and maintenance expenses of projects are not incurred as agent of the Agency, and as a result no sales tax exemption will be provided for such expenditures.

2) All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required, an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 875(8) of the General Municipal Law, and any other statutory or regulatory requirements.

D. Mortgage Recording Tax Exemptions.

1) The Agency's policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law, whether

or not the Agency has issued its bonds to finance the Project or undertaken a straight lease transaction.

2)The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings, (i.e. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including, but not limited to, the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

E.<u>Deviations</u>.

In addition to or in lieu of the foregoing the Agency may determine, on a case by case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviations from the guidelines set forth above requires the written notification by the Agency to the chief executive officer of each affected taxing **jurisdiction**. The Agency may consider any or all of the following factors in making such determination, no single one of which is determinative:

1)The nature of the proposed project (i.e.manufacturing, commercial, civic, etc.).
2)The nature of the property before the project begins (i.e. vacant land, vacant building, etc.).
3)The economic condition of the area at the time of the application and at the economic multiplying effect the project will have on the area.
4)The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained, and/or the salary ranges of such jobs.
5)The estimated value of tax exemptions to be provided.
6)The economic 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 amount of private sector investment generated or likely to be generated by the proposed project.
9)The likelihood of accomplishing the proposed project in a timely fashion.
10)The effect of the proposed project upon the environment and surrounding property.

11)The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services.
12)The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
13)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.
14)The length and duration of the Project.

F.Recapture of Benefits.

The Agency, at its sole discretion and on a case-by-case basis, may determine, (but shall not be required to do so) with respect to a particular project, that a project has failed to meet its intended goals and 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:

1)Sale or closure of the facility;
2)Significant employment reduction;
3)Significant change in use in facility;
4)Significant change in business activities or project applicant or operator; or
5)Material noncompliance with or breach of terms of Agency transaction documents or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations.

If the Agency determines to provide for the recapture with respect to a particular project, the Agency also shall, in its sole discretion and on a case-by-case basis, determine the timing and percentage of recapture.

Dated:January __, 2020.

EXHIBIT "A"

TYPES OF UNIFORM TAX EXEMPTION POLICY

PORTION OF PROPERTY

SUBJECT TO
TYPELENGTH OF EXEMPTIONTAXATION

1.Industrial/Manufacturing20 years5% increase
per yearwith
100% exemption for improvements for Year 1

2.Warehouse and Distribution14yearsYearAmount
110%
220%
330%
440%
550%
655%
760%
865%
970%
1075%
1180%
1285%
1390%
1495%
15100%

3.Hotel Facility14yearsYearAmount
110%
220%
330%
440%
550%
655%
760%
865%
970%
1075%
1180%
1285%
1390%
1495%
15100%

4.Office Buildings14yearsYearAmount

1 20%
220%
340%
440%
550%
655%
760%
865%
970%
1075%
1180%
1285%
1390%
1495%
15100%

5.Technology20 years5% increase

per year

6.Mixed Use Structures under
RPTL Section 485-a1-8 years100%
Year 980% Exempt
Year 1060% Exempt
Year 1140% Exempt
Year 1220% Exempt
Year 13No Exempt

7.Health Care Facilities14yearsYearAmount

15%
220%
330%
440%
550%
655%
760%
865%
970%
1075%
1180%

1285%
1390%
1495%
15100%

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