

**AUTHORIZING RESOLUTION**  
*(Savarino Companies, LLC Project)*

A regular meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center was convened on Thursday, July 1, 2021.

The following resolution was duly offered and seconded, to wit:

Resolution No. 07/2021 - 05

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") AUTHORIZING (i) THE EXECUTION AND DELIVERY OF AN UP TO \$20,000,000 AGGREGATE PRINCIPAL AMOUNT MORTGAGE FOR THE SAVARINO COMPANIES, LLC PROJECT (AS DEFINED BELOW), AND (iii) A MORTGAGE RECORDING TAX EXEMPTION FOR THE BENEFIT OF SAVARINO COMPANIES, LLC UPON THE RECORDING OF SUCH \$20,000,000 AGGREGATE PRINCIPAL AMOUNT MORTGAGE AS PERMITTED BY NEW YORK STATE LAW

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 565 of the Laws of 1970 of the State of New York, as amended (hereinafter collectively called the "Act"), the **GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY d/b/a GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, Ellicott Station Development, LLC, an entity formed on behalf of **SAVARINO COMPANIES, LLC**, for itself or on behalf of another entity or entities to be formed (collectively, the "Company"), previously submitted an application (as amended from time to time, the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold or other interest in an approximately 3.31-acre abandoned industrial Brownfield site (the "Della Penna Brownfield Opportunity Area") at 40-70 Ellicott Street (a/k/a 40, 50 and 56 Ellicott Street), City of Batavia, Genesee County, New York (the "Land"); (ii) the abatement and demolition of one or more buildings located on the Land; (iii) the adaptive re-use and/or new construction of an approximately 55-unit workforce housing apartment building (with ground floor parking) and a brewery and restaurant/beer garden (collectively, the "Improvements"); and (iv) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to resolution adopted on June 4, 2020 (the "Authorizing Resolution"), by the Agency, the Agency (i) authorized certain financial assistance for the benefit of the Company with respect to the Project in the form of: (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction, reconstruction, renovation and equipping of the Project, (b) a real property tax abatement structured through the Tax Agreement, and (c) a mortgage recording tax exemption as authorized by New York State Law (collectively, the "Financial Assistance"); and (ii) authorized the execution of related documents; and

WHEREAS, at the time of adoption by the Agency of the Authorizing Resolution, the Company had contemplated a mortgage recording tax exemption benefit from the Agency upon the recording of an approximately \$18,079,200.00 aggregate principal amount mortgage; and

WHEREAS, due to certain factors set out in correspondence from the Company to the Agency dated June 30, 2021, and attached hereto as Exhibit A, the Company has requested that the Agency provide a mortgage recording tax exemption upon the recording of an \$20,000,000.00 aggregate principal amount mortgage (the "Mortgage"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution authorizing the Project and the Financial Assistance (as defined below) that the Agency is contemplating with respect to the Project; and

WHEREAS, the Agency desires to adopt a resolution authorizing (i) the execution and delivery of the Mortgage and related documents, and (ii) a mortgage recording tax exemption as permitted by New York State law upon the recording of the Mortgage.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER AS FOLLOWS:

Section 1. The Agency hereby ratifies and confirms the findings in its Authorizing Resolution adopted on June 4, 2020, made pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA").

Section 2. The Agency hereby ratifies and confirms that the public hearing held by the Agency on March 3, 2020, at 4:00 p.m., local time, at Batavia City Hall, City Council Board Room, One Batavia City Centre, Batavia, New York 14020, with respect to the Project and Financial Assistance, satisfies the requirements of Section 859-a of the Act, and determines that no additional public hearing must be held with respect to the Project and/or the Financial Assistance.

Section 3. The Chairman, Vice Chairman, President/CEO and/or Senior Vice President of Operations of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Mortgage, assignment of leases and rents, security agreement, UCC-1

Financing Statements and all documents reasonably contemplated by these resolutions or required any Lender identified by the Company (the "Lender") in such forms as approved by counsel to the Agency up to a maximum principal amount of \$20,000,000.00 necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Project Agreement, Lease Agreement, Leaseback Agreement and Tax Agreement, collectively called the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman, President/CEO and/or Senior Vice President of Operations of the Agency to constitute conclusive evidence of such approval; provided, in all events, recourse against the Agency is limited to the Agency's interest in the Project.

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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. Except as expressly set forth herein, the Authorizing Resolution shall remain unchanged and in full force and effect.

Section 6. These Resolutions shall take effect immediately upon adoption.

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

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Peter Zeliff	[ X ]	[ ]	[ ]	[ ]
Matthew Gray	[ ]	[ ]	[ X ]	[ ]
Paul Battaglia	[ X ]	[ ]	[ ]	[ ]
Craig Yunker	[ X ]	[ ]	[ ]	[ ]
Todd Bender	[ X ]	[ ]	[ ]	[ ]
Amy Vanderhoof	[ ]	[ ]	[ X ]	[ ]
Marianne Clattenburg	[ X ]	[ ]	[ ]	[ ]

The resolutions were thereupon duly adopted.

**SECRETARY'S CERTIFICATION**  
*(Savarino Companies, LLC Project)*

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

I, the undersigned Secretary of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center, DO HEREBY CERTIFY:

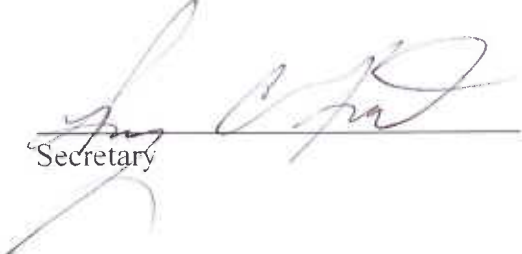
That I have compared the annexed extract of minutes of the meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (the "Agency"), including the resolution contained therein, held on July 1, 2021, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 1<sup>st</sup> day of July, 2021.

  
Secretary

## EXHIBIT A

Correspondence from the Company to the Agency dated June 30, 2021



500 Seneca Street, Suite 508  
Buffalo, New York 14204  
Phone: (716) 332-6959  
Fax: (716) 332-6968

June 30, 2021

Steven G. Hyde  
President & CEO  
Genesee County Economic Development Center  
99 MedTech Drive  
Batavia, New York 14020

**Re:** Ellicott Station GCTDA Project Agreement  
Maximum Mortgage Principal Amount(s) for Mortgage Recording Tax Exemption

Dear Mr. Hyde,

We are writing to respectfully request an increase of the Maximum Mortgage Principal Amounts in the Project Agreements for Ellicott Station. Specifically, we ask that the aggregate Maximum Mortgage Principal Amount be increased to **\$20,000,000**.

At the time of the Final Resolution in June 2020, it was anticipated that the Maximum Mortgage Principal Amount on the Project would not exceed **\$18,079,200**. However, due to market uncertainty triggered by the COVID-19 pandemic several factors have caused an increase in the amount of construction financing required to complete the project. The primary factors for the increase are:

- Upwards of \$2,125,000 of Empire State Development grant funding that was previously anticipated to be funded during the construction phase will now be disbursed in arrears upon Project completion.
- Significantly reduced Low-Income Housing Tax Credit (LIHTC) Equity pricing and delayed capital pay-in rates. Anticipated LIHTC equity pricing at time of application to HCR was 50.9% per credit compared to just 50.84 now. Upwards of 35% of LIHTC equity was anticipated to be contributed to the project during the construction period compared to just 20% now.
- Approximately \$1,000,000 increase to the residential construction cost due to lumber price increases.

These factors have resulted in increases to the amount of construction financing required to complete the Project. Currently anticipated mortgage principal amounts are \$3,060,583 for the Commercial Project and \$16,395,375 for the Residential Project. An increase to \$20,000,000 Maximum Mortgage Principal Amount should be sufficient to cover the anticipated mortgage principal amounts as we advance toward a closing later this summer.

We appreciate your consideration of request. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Very truly yours,

  
Courtney Samuels-Cox  
Vice President, Development

CC: Samuel J. Savarino; Tim Favara; Lauren Cannon

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