

**INITIAL RESOLUTION**

*(Yancey's Fancy, Inc. Project – Extension of Tax Agreement Term)*

A regular meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center was convened on Thursday, October 3, 2019.

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

Resolution No. 10/2019 - 03

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") (i) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE EXISTING YANCEY'S FANCY, INC. BUFFALO EAST TECHNOLOGY PARK FACILITY (AS DEFINED BELOW), AND (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROPOSED FINANCIAL ASSISTANCE

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Chapter 565 of the Laws of 1970 of the State, 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, the Agency and **YANCEY'S FANCY, INC.**, previously executed that certain Payment-in-Lieu-of-Tax Agreement, dated as of March 1, 2014 (the "PILOT Agreement"), in connection with a certain project (the "2014 Project") consisting of: (i) the acquisition or retention by the Agency of a leasehold interest or other interest in all or a portion of approximately 10 acres of land at the Buffalo East Technology Park South campus (being more particularly described as tax map number 19-1-73.1) located at the intersection of NYS Routes 5 and 77 in the Town of Pembroke, Genesee County, New York (the "Buffalo East Technology Park Land"), (ii) the construction and equipping on the Buffalo East Technology Park Land of an approximately 112,000 square-foot building over multiple phases for use as a specialty cheese production/manufacturing facility, office space and related improvements and infrastructure (the "Buffalo East Technology Park Improvements"), (iii) the acquisition in and around the Buffalo East Technology Park Land and the Buffalo East Technology Park Improvements of certain items of equipment and other tangible personal property (the "Buffalo East Technology Park Equipment"; and, collectively with the Buffalo East Technology Park Land and the Buffalo East Technology Park Improvements, the "Buffalo East Technology Park Facility"), (iv) the acquisition or retention by the Agency of a leasehold interest or other interest in certain land located at the Company's main artisan cheese operations facility and retail store at 857 Main Road, in the Town of Pembroke, Genesee County, New York (the "857 Main Road Land"), (v) the construction and equipping on the 857 Main Road Land of an approximately

3,500 square-foot reverse osmosis system (the "857 Main Road Land Improvements"); and (v) the acquisition in and around the 857 Main Road Land and the 857 Main Road Improvements of certain items of equipment and other tangible personal property (the "857 Main Road Equipment"; and, collectively with the 857 Main Road Land and the 857 Main Road Improvements, the "857 Main Road Facility"); and

WHEREAS, pursuant to the terms of the PILOT Agreement, the Company has agreed to make payments-in-lieu-of-taxes for the benefit of Genesee County (the "County"), the Town of Pembroke (the "Town") and the Pembroke Central School District (the "School"; and, collectively with the County and the Town, the "Affected Tax Jurisdictions"), as more fully set forth on Schedule A-1 (the "Buffalo East Technology Park PILOT Schedule") and Schedule A-2 (the "857 Main Road PILOT Schedule") attached hereto; and

WHEREAS, the Company has requested the Agency extend the term of the Buffalo East Technology Park PILOT Schedule and the PILOT Agreement for ten (10) years during which the Company would pay full ad valorem taxes on the Buffalo East Technology Park Facility (the "2019 Financial Assistance"); and

WHEREAS, to provide the 2019 Financial Assistance and effectuate an extension by ten (10) years of the of the Buffalo East Technology Park PILOT Schedule and the PILOT Agreement and extend the Agency's interest in the Facility by ten (10) years, it is contemplated that the Agency will: (i) hold a public hearing regarding the 2019 Financial Assistance, (ii) negotiate amendments to that certain Lease Agreement, dated as of March 1, 2014 (the "Lease Agreement"), that certain Leaseback Agreement, dated as of March 1, 2014 (the "Leaseback Agreement"), the PILOT Agreement and related documents (collectively, the Lease Agreement, the Leaseback Agreement and the PILOT Agreement, the "Documents"), (iii) retain and extend its leasehold interest in the Facility (once amendments to the Documents have been negotiated, executed and delivered), and (iv) provide the 2019 Financial Assistance to the Company; and

WHEREAS, 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, "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake a Project; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the 2019 Financial Assistance being contemplated by the Agency and authorizing the negotiation, but not the execution and delivery, of amendments to the Documents by extending the term of the Buffalo East Technology Park PILOT Schedule in accordance with the 2019 Financial Assistance, all with respect to the 2014 Project.

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 Company has presented an Application for Financial Assistance (the "Application") in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

(B) The Agency has the authority to take the actions contemplated herein under the Act.

(C) The action to be taken by the Agency will induce the Company to maximize its manufacturing potential and thereby reach and maintain certain employment levels required to retain its Consolidated Funding Application award.

(D) The Agency finds that the proposed action and providing of the 2019 Financial Assistance constitutes a "Type II" action pursuant to 6 N.Y.C.R.R. Part 617.5 and, therefore, is exempt from review under SEQRA.

Section 2. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 3. The Agency is hereby authorized to comply with its procedures for deviation from its Uniform Tax Exemption Policy, if necessary.

Section 4. The Agency is hereby authorized to negotiate, but not execute and deliver, amendments to the Documents in accordance with the 2019 Financial Assistance being contemplated by the Agency.

Section 5. 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 6. These Resolutions 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:

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

The Resolutions were thereupon duly adopted.

**CERTIFICATION**

*(Yancey's Fancy, Inc. Project – Extension of Tax Agreement Term)*

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:

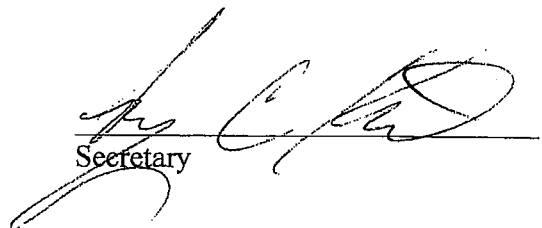
That I have compared the annexed extract of minutes of the meeting of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (the "Agency"), including the resolution contained therein, held on October 3, 2019, with the original thereof on file at the Agency's office, 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 3<sup>rd</sup> day of October, 2019.

  
Secretary

**SCHEDULE A-1**

**TO**

PILOT Agreement, dated as of March 1, 2014,

by and between

THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A

GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER

and

YANCEY'S FANCY, INC.

With respect to the Buffalo East Technology Park Land and the Buffalo East Technology Park Improvements (collectively, the "Buffalo East Technology Park Facility"):

<b><u>PILOT Year</u></b>	<b><u>School Tax Year</u></b>	<b><u>County and Town Tax Year</u></b>	<b><u>Total Taxable Valuation Abatement Factor</u></b>
Year 1	2015-16	2016	0%
Year 2	2016-17	2017	0%
Year 3	2017-18	2018	20%
Year 4	2018-19	2019	20%
Year 5	2019-20	2020	40%
Year 6	2020-21	2021	40%
Year 7	2021-22	2022	60%
Year 8	2022-23	2023	60%
Year 9	2023-24	2024	80%
Year 10	2024-25	2025	80%

Once the Total Taxable Valuation of the Buffalo East Technology Park Facility is established, the Total PILOT Payment for the Buffalo East Technology Park Facility shall be determined by multiplying the Total Taxable Valuation of the Buffalo East Technology Park Facility by the respective tax rate for each Affected Tax Jurisdiction (*after application of any applicable equalization rate*) multiplied by the percentage above. After the tenth (10<sup>th</sup>) PILOT Year, the Buffalo East Technology Park Facility shall be subject to full taxation by the Affected Tax Jurisdictions.

Total PILOT Payment = Total Taxable Valuation of the Buffalo East Technology Park Facility (*after equalization*) x Tax Rate x Abatement Factor indicated in table above.

**SCHEDULE A-2**

**TO**

PILOT Agreement, dated as of March 1, 2014,

by and between

THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A

GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER

and

YANCEY'S FANCY, INC.

With respect to the 857 Main Road Land and the 857 Main Road Improvements (collectively, the "857 Main Road Facility"):

<b><u>PILOT Year</u></b>	<b><u>School Tax Year</u></b>	<b><u>County and Town Tax Year</u></b>	<b><u>Total Taxable Valuation</u></b>
Year 1	2015-16	2016	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .00)
Year 2	2016-17	2017	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .00)
Year 3	2017-18	2018	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .20)
Year 4	2018-19	2019	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .20)
Year 5	2019-20	2020	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .40)
Year 6	2020-21	2021	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .40)
Year 7	2021-22	2022	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .60)
Year 8	2022-23	2023	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .60)
Year 9	2023-34	2024	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .80)
Year 10	2024-25	2025	Valuation of 857 Main Road Land, plus (Added Value of 857 Main Road Improvements x .80)

For the term of this PILOT Agreement, the Company shall continue to pay full taxes based on the assessed value of the 857 Main Road Land and any Existing Improvements located on the 857 Main Road Land thereon as of the date of this agreement prior to the completion of any Project improvements (subject to any existing PILOT Agreement) (the "Valuation"). During the term of this PILOT Agreement, the Valuation of 857 Main Road Land shall be increased from time to time by the percentage increase in the assessed valuation in all taxable real property in the Town of Pembroke, Genesee County, New York, as of the respective tax status date for the tax year for which the recalculation is being made. The Total Taxable Valuation shall be calculated such that a graduated abatement factor ("Abatement Factor") shall be applied to the increased assessed valuation attributable to the 857 Main Road Improvements made to the 857

Main Road Facility by the Company, as an agent of the Agency (the "Added Value"). The abatement schedule shall allow for a 100% exemption from taxation for the Added Value of 857 Main Road Improvements in PILOT Year 1 and PILOT Year 2, with such exemption being eliminated in 20% increments on an every-other-year basis.

Once the Total Taxable Valuation of the 857 Main Road Facility is established using the Abatement Factor, the Total PILOT Payment for the 857 Main Road Facility shall be determined by multiplying the Total Taxable Valuation of the 857 Main Road Facility by the respective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate). After the tenth PILOT Year, the 857 Main Road Facility shall be subject to full taxation by the affected taxing jurisdictions.

Total Taxable Valuation = Valuation + (Added Value 857 Main Road Improvements x Abatement Factor)

Total PILOT Payment = Total Taxable Valuation of the 857 Main Road Facility (after equalization) x Tax Rate