

Resolution Approving The Deviation By The Ulster County Industrial Development Agency Relating To The Terms And Conditions Of A Certain Pilot Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Stavo Industries, Inc., In Connection With The Stavo Industries, Inc. Project

Referred to: The Economic Development and Tourism Committee (Chairman Maloney and Legislators Maio, Roberts, Loughran and Wishnick) and The Ways and Means Committee (Chairman Gerentine and Legislators Harris, Maio, Maloney, Gregorius, Provenzano and Rodriguez)

Legislator James Maloney, Chairman of the Economic Development and Tourism Committee and Co-Sponsors: Legislators David Donaldson, Richard Parete and Robert Parete offer the following:

BE IT ENACTED by the County Legislature of Ulster County, New York (the "County Legislature"), as follows:

WHEREAS, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (the "Enabling Act") and Chapter 787 of the 1976 Laws of New York, as amended, constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act"), the County Legislature has heretofore appointed the Chairman and members of Ulster County Industrial Development Agency (the "Agency") and has duly caused to be filed in the office of the Secretary of State of the State of New York the certificates required by Section 856 of the Act; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in December, 2011, Stavo Industries, Inc. (the "Company") submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately 9.7 acres located at 132 Flatbush Avenue (SBL Parcel Nos. 48.074-3-29.111) in the City of Kingston, Ulster County, New York (the "Land"), together with the existing improvements located on the Land containing in the aggregate approximately 80,000 square feet of space (collectively, the "Existing Facility"), (2) the reconstruction and renovation of the Existing Facility, (3) the construction of an addition to the Existing Facility to

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contain approximately 2,500 square feet of space the “Addition”) (the Existing Facility and the Addition collectively hereinafter referred to as the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company as a manufacturing facility for the processing of filtration media and related products and for other directly and indirectly related uses and activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be approximately \$5,400,000 and in any event not to exceed \$7,500,000 (the “Obligations”); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively with the Obligations, the “Financial Assistance”); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in connection with the undertaking of the Project, the Company will execute and deliver a certain payment in lieu of tax agreement (the “PILOT Agreement”) by and between the Agency and the Company pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; and

WHEREAS, the Company is seeking to have the PILOT Agreement provide for a fifteen (15) year tax exemption for the Project Facility, during which the Company will make fixed payments in lieu of taxes to the affected tax jurisdictions with respect to the Project Facility, said fixed payments to equal the respective amounts set forth opposite the respective tax years in the following table:

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Tax Year	Annual Payment in Lieu of Tax Amount for Ulster County/City of Kingston and Kingston City School District
1	\$67,400
2	\$67,400
3	\$67,400
4	\$67,400
5	\$67,400
6	\$67,400
7	\$67,400
8	\$67,400
9	\$67,400
10	\$67,400
11	\$67,400
12	\$67,400
13	\$67,400
14	\$67,400
15	\$67,400

WHEREAS, the annual payments described above will be allocated among Ulster County, the City of Kingston and the Kingston City School District pro rata based on the tax rates of the taxing entities; and

WHEREAS, these payment terms constitute a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, under the Agency's Policy, prior to entering into a payment in lieu of tax agreement that deviates from the Policy's standard payment terms, the Agency shall (1) notify each affected tax jurisdiction, and (2) attempt to obtain the written consent of all the affected tax jurisdictions; and

WHEREAS, the Agency desires that Ulster County, through its County Legislature, as one of the affected tax jurisdictions with respect to the Project Facility, adopt a resolution indicating whether the County Legislature agrees to the terms of the proposed PILOT Agreement;

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Passed Committee: Economic Development and Tourism Committee on April 4, 2012.

Passed Committee: Ways and Means Committee on April 17, 2012

FINANCIAL IMPACT:

\$67,400.00 – ANNUALLY FOR FIFTEEN YEARS BEGINNING WITH THE FIRST YEAR AND ENDING AFTER THE FIFTEENTH YEAR AND TO BE APPORTIONED TO EACH AFFECTED TAX ENTITY ACCORDING TO THE PRORATED TAX RATES

0422

STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 17th day of April, 2012, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 19th Day of April in the year Two Thousand and Twelve.

Karen L. Binder, Clerk
Ulster County Legislature

Submitted to the County Executive this

19th Day of April, 2012.

Approved by the County Executive this

_____ Day of April, 2012.

Karen L. Binder, Clerk
Ulster County Legislature

Michael P. Hein, County Executive

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

I, the undersigned Clerk of the Ulster County Legislature, DO HEREBY CERTIFY that the preceding Resolution was duly adopted by the Ulster County Legislature at a regular meeting of the said Ulster County Legislature duly called and held on April 17, 2012; that said Resolution was entered in the minutes of said meeting; and that I have compared the foregoing copy with the original thereof now on file in my office and that the same is a true and correct transcript of said Resolution and of the whole thereof.

I FURTHER CERTIFY that (A) all members of said Ulster County Legislature 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 public notice of the time and place of said meeting was duly given to the public and the news media as required by the Open Meetings Law; and (D) there was a quorum of the members of the Ulster County Legislature 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 Ulster County, New York this 19th day of April, 2012.

BY: _____
Clerk of the County Legislature of
Ulster County, New York

(SEAL)