

Approving The Terms And Conditions Of A Certain PILOT Agreement To Be Entered Into Between Ulster County Industrial Development Agency And Kingston Regional Senior Living Corp. Project

The Economic Development, Housing, Planning and Transit Committee (Chairman Rodriguez and Legislators Berardi, Gregorius, Loughran, Sheeley, Alfonso and Roberti) and Legislators Bartels, Liepmann, Noonan and Zimet offer the following:

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 Laws of 1976 of the State 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 of Ulster County, New York (the "County Legislature") has heretofore appointed the Chairman and members of the Ulster County Industrial Development Agency (the "Issuer") and has duly caused to be filed in the office of the Secretary of the State of the State of New York the certificates required by Section 856 of the Act, and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its industrial development revenue bonds to finance the cost of the acquisition, construction and installation of one or more "projects" (as defined in the Act), to acquire, construct and install said projects or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase, and

WHEREAS, in November 2005, Kingston Regional Senior Living Corp., a New York not-for-profit corporation (the "Company") submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application, as amended to date, requested that the Issuer 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 certain real estate containing approximately 83 acres located to the west of North Putt Corners Road between Shivertown Road and Erman Lane in the Village of New Paltz, Ulster County, New York (the "Land"); (2) the construction of one approximately 354,000 square foot building and twelve separate cottages each containing approximately 3,500 square feet of space (collectively, the "Facility"); and (3) the acquisition and installation thereon and therein of certain machinery and equipment located therein and thereon (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a continuing care retirement community under Article 46 of the New York Public Health Law to be owned by and operated by the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the

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cost of undertaking the Project, together with necessary incidental costs in connection therewith, the maximum aggregate estimated amount of which is not to exceed \$125,000,000.00 (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 other "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 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 Issuer, 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 (A) for a twenty (20) year exemption for the Project Facility, during which (B) 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 Column B of the following table and (C) the Company will make additional fixed payments in lieu of taxes to the Village of New Paltz with respect to the Project Facility, said fixed payments to equal the respective amounts set forth opposite the respective tax years in Column C of the following table:

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Column A	Column B	Column C
Tax Year	Fixed Amount Payable to the Affected Tax Jurisdictions	Additional Fixed Amount Payable to the Village
1	\$25,000	\$0
2	\$25,000	\$0
3	\$250,000	\$15,000
4	\$250,000	\$15,000
5	\$250,000	\$15,000
6	\$300,000	\$15,000
7	\$400,000	\$15,000
8	\$500,000	\$165,000
9	\$550,000	\$15,000
10	\$650,000	\$15,000
11	\$700,000	\$15,000
12	\$750,000	\$15,000
13	\$800,000	\$15,000
14	\$850,000	\$15,000
15	\$900,000	\$15,000
16	\$950,000	\$15,000
17	\$1,000,000	\$15,000
18	\$1,050,000	\$15,000
19	\$1,150,000	\$15,000
20	\$1,250,000	\$15,000

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 affected tax jurisdictions, and

WHEREAS, Section 858(15) of the General Municipal Law provides that, unless otherwise agreed by the affected tax jurisdictions, a payment in lieu of tax

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agreement must provide that all amounts received thereunder must be allocated among the affected tax jurisdictions in proportion to the amount of real property taxes 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, and

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

WHEREAS, the Economic Development, Housing, Planning and Transit Committee has met and reviewed said request with a majority of the members voting approval, and

WHEREAS, the Ways and Means Committee has met and reviewed said request with a majority of the members voting approval.

RESOLVED, by the County Legislature of Ulster County, New York as follows:

Section 1. For the sole purpose of satisfying the requirements contained in the Agency's Policy and the provisions of Section 858(15) of the General Municipal Law, the County Legislature of Ulster County hereby approves the terms and conditions of the proposed PILOT agreement, including the proposed deviation from the Agency's Policy outlined above.

Section 2. The Chairman of the County Legislature is hereby authorized, on behalf of the County, to execute and deliver the PILOT Agreement, said PILOT Agreement to contain the payment terms substantially in the form thereof presented at this meeting, with such changes, variations, omissions and insertions as the Chairman of the County Legislature shall approve, the execution thereof by the Chairman of the County Legislature to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the County are hereby authorized and directed for and in the name and on behalf of Ulster County to do all acts and things required or provided for the by applicable provisions of this

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Resolution in order to ensure compliance with such provisions as they relate to the execution and delivery of the PILOT Agreement, and to execute and deliver all such additional certificates, instruments and documents, 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 resolution.

Section 4. This resolution shall take effect immediately,

and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 28 NOES: 0
(Absent: Legislators Alfonso, Bischoff, Felicello
and Roberti)
(Legislator Noonan left at 7:35 PM/returned 7:43
PM)

FINANCIAL IMPACT:
[NOT TO EXCEED \$125,000,000.00 – ULSTER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY OBLIGATIONS]

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