

Approving The Issuance Of Certain Bonds By Ulster County Industrial Development Agency To Finance A Project For Ellenville Housing Preservation LP

The Ways and Means Committee (Chairman Lomita and Legislators Bartels, Berardi, Gregorius, Provenzano, Zimet, Cummings, Gerentine and Noonan) and the Economic Development, Housing, Planning and Transit Committee (Chairman Rodriguez and Legislators Berardi, Gregorius, Loughran, Sheeley, Alfonso and Roberti) offer the following:

WHEREAS, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 787 of the Laws of 1976 of the State of New York (herein collectively called 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 "Agency") and has duly caused to be filed in the office of the Secretary of the State of New York the certificates required by Section 923 of the General Municipal Law of the State of New York, and

WHEREAS, to accomplish its stated purposes, the Agency 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, Ellenville Housing Preservation LLP (the "Company") has presented an application (the "Application") to the Agency, copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project"), and

WHEREAS, said Project consists of: (A) (1) the acquisition of an interest in certain real estate containing approximately 101,764 square feet of space located at 110 Center Street in the Village of Ellenville, Ulster County, New York (the "Land") and three buildings located thereon containing in the aggregate approximately 50,167 square feet of space (the buildings collectively referred to as the "Facility"; (2) the reconstruction of the Facility; (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 approximately 52 rental apartment facility with a community room for tenant use, a coin operated laundry and a management office and any other directly or indirectly related activities and services, all to be owned by the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of a series or multiple series of taxable and/or tax-exempt revenue bonds of the Agency (the "Bonds") and/or conventional

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financing (the “Conventional Financing”) to be entered into by the Company, the maximum aggregate estimated amount of such financing not to exceed \$4,000,000.00, and (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including potential exemptions from certain sales taxes, mortgage recording taxes, deed transfer taxes, and real property taxes (collectively with the Bonds and the Conventional Financing, the “Financial Assistance”); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company and/or such other person as may be designated by the Company and agreed upon by the Agency, and

WHEREAS, the County Legislature has been advised by the Agency that the Agency proposes to issue, subsequent to the adoption of this resolution, its civic facility revenue bonds from time to time in a principal amount sufficient to fund all or a portion of the cost of acquiring, constructing and installing the Project Facility, together with incidental costs in connection therewith, which principal amount is presently estimated to be approximately \$4,000,000.00, and

WHEREAS, the Institution has requested that interest on the Bonds be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to section 145(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Bonds will not be excludable from gross income for federal income tax purposes unless the issuance of the Bonds shall be approved by this County Legislature after the Agency has conducted a public hearing thereon following reasonable public notice; and

WHEREAS, on July 24, 2006, the Agency held a public hearing to consider both the issuance of the proposed Bonds and the nature and location of the proposed Project, and a report of said public hearing will be made available to each member of this County Legislature, and

WHEREAS, pursuant to Section 147(f) of the Code, the County Legislature desires to allow the interest on the Bonds to be treated as excludable from gross income for federal income tax purposes.

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

Section 1. For the sole purpose of qualifying the interest payable on the Bonds for exclusion from gross income for federal income tax purposes pursuant to the provisions of Section 145(a) of the Code, the County Legislature, as the elected legislative body of Ulster County, New York, hereby approves the issuance by the Agency of the Bonds, provided that the Bonds, and the premium (if any) and interest thereon, shall be special obligations of the Agency and shall never be a debt of the State of New York, Ulster County, New York or any political subdivision thereof (other than the Agency), and neither the State of New York, Ulster County, New York nor any political subdivision thereof (other than the Agency) shall be liable thereon.

Section 2. This resolution shall take effect immediately,
and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

FINANCIAL IMPACT:

\$4,000,000.00 – ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BONDS

0928

REFERRED BACK TO COMMITTEE