

INITIAL PROJECT RESOLUTION
(SoLo Commons Limited Partnership Project)

A regular meeting of the City of Peekskill Industrial Development Agency was convened on Tuesday, May 23, 2023.

The meeting was called to order by the Chair, with the following members being:

PRESENT:

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

On motion duly made and seconded, the following resolution was placed before the members of the City of Peekskill Industrial Development Agency:

Resolution No. 2023 -

RESOLUTION OF THE CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) (i) ACCEPTING THE APPLICATION OF SOLO COMMONS LIMITED PARTNERSHIP (THE “COMPANY”) IN CONNECTION WITH A PROPOSED PROJECT (AS FURTHER DESCRIBED HEREIN); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING; (iii) TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE OF UP TO \$55,000,000 PRINCIPAL AMOUNT TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF FINANCING SUCH PROJECT AND (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 671 of the Laws of 1974 of the State of New York, as amended (hereinafter collectively called the “Act”), the **CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called “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, **SOLO COMMONS LIMITED PARTNERSHIP**, for itself and/or on behalf of an entity or entities to be formed (collectively, the “Company”), has submitted an application to the Agency, requesting that the Agency issue its tax-exempt multi-family housing revenue bonds in one or more series and in an aggregate principal amount not to exceed \$55,000,000 (the “Bonds”) for the purpose of financing a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in approximately 8 acres of real property located at or adjacent to 1005-1017 Lower South Street in the City of Peekskill, New York (the “Land”, being more particularly described as all or portions of tax parcel numbers 32.20-2-6, 32.20-2-7, 32.20-2-5 and 32.20-2-5.1); (ii) the environmental remediation of

portions of the Land and the planning, design, engineering, construction and operation of an affordable housing apartment complex to be primarily comprised of six (6) 4-story buildings consisting of an aggregate amount of approximately 200,000 sf of building space, with 231 apartment units and four (4) commercial spaces containing approximately 4,000 sf of building space, the foregoing to include thirty six (36) affordable housing units at 40% of Westchester County's Area Median Income ("AMI"), one hundred fifty eight (158) units at 60% AMI, thirty six (36) units at 80% AMI and one superintendent apartment, together with site work, utilities, exterior access and egress improvements, curbage, parking, signage, and related exterior improvements (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); (iv) funding all or a portion of the costs of a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs and expenses incidental to the issuance of the Bonds (the costs associated with items (i) through (iv) above being hereinafter referred to as the "Project Costs") and (v) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"); and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (A) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility; (B) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each affected tax jurisdiction (the "Affected Tax Jurisdictions"); (C) a mortgage recording tax exemption for financings undertaken to construct the Facility and (D) the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$55,000,000 (such Bonds, if issued, to be non-recourse to the Agency); and

WHEREAS, the Company reasonably expects that it will (i) pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Bonds, (ii) use funds from sources other than proceeds of the Bonds which are or will be available on a short-term basis to pay for such capital expenditures, and (iii) reimburse itself for the use of such funds with proceeds of the Bonds; and

WHEREAS, the Agency intends to describe the Project, accept the Application, describe the forms of Financial Assistance contemplated by the Agency, secure any necessary consents from the Affected Tax Jurisdictions, and authorize the scheduling and conduct of public hearing(s) pursuant to and in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY OF PEEKSKILL INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. 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; and

(B) It is desirable and in the public interest for the Agency to (i) acquire a leasehold interest in the Land, Existing Improvements, Improvements and the Equipment constituting the Facility, (ii) lease the Agency's interest in the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Company pursuant to a lease agreement to be negotiated, (iii) enter into a Straight Lease Transaction and (iv) issue the Bonds to finance all or a portion of the Project Costs; and

(C) Subject to the terms and conditions set forth within Section 4, hereof, the Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to undertake the Project, thereby increasing capital investment and employment opportunities in the City of Peekskill, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other facility or plant to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The proposed financial assistance being contemplated by the Agency includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, construction or equipping of the Project, (ii) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of the Affected Tax Jurisdictions, (iii) a mortgage recording tax exemption for financings undertaken to construct the Facility and (iv) financing all or a portion of the Project Costs by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$55,000,000 (such Bonds, if issued, to be non-recourse to the Agency).

Section 3. The Agency further authorizes the scheduling and conduct of a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 859-a of the Act (the "Public Hearing"). To the extent required pursuant to the Agency's By-laws and Uniform Tax Exemption Policy ("UTEP"), the Agency hereby further authorizes the Executive Director and Transaction Counsel to prepare and secure the necessary consent resolutions from the City.

Section 4. The granting of the Financial Assistance, as contemplated by Section 2 of this Resolution, shall be subject to:

- (a) agreement by the Agency, the Company and the purchaser of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; and
- (b) approval by the City Manager of the issuance of the Bonds in accordance with the provisions of Section 147(f) of the Code; and
- (c) compliance by the Agency with the volume cap limitations set forth in Section 146 of the Code and with any applicable New York State law, such that interest on the Bonds shall not be included in gross income for purposes of Federal income taxation;
- (d) holding a public hearing as required by Section 859-a of the Act and Section 147(f) of the Code; and
- (e) the adoption by the Agency of a bond resolution authorizing the issuance of the Bonds, along with the allocation of sufficient volume cap allocation for same from the State of New York.

Section 5. The Agency's formal inducement to undertake the Project and approve the Financial Assistance shall be by one or more further resolutions of the Agency and shall be subject to the terms and conditions as are set forth therein.

Section 6. The Chairman, Vice Chairman, and/or the Executive Director of the Agency are hereby authorized and directed to negotiate, but not execute, certain lease agreements, an Agent and Financial Assistance and Project Agreement (the "Agent Agreement"), the PILOT Agreement, and related documents to undertake the Straight Lease Transaction. The Agency's authorization of the Project and the Financial Assistance shall be subject to the conduct of the Public Hearing and adoption of Agency resolutions relative to same.

Section 7. Harris Beach PLLC, as General, Transaction and Bond Counsel for the Agency, is hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency all documents necessary to conduct the Public Hearings and effect the authorization and undertaking of the Project.

Section 8. This Resolution shall constitute the adoption of "official intent" (within the meaning of the United States Treasury Regulations Section 1.150-2(D) with respect to issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 9. The Chairman, Vice Chairman and Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do

such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 10. This Resolution 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:

	<u><i>Yea</i></u>	<u><i>Nea</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Alan Kravitz	[X]	[]	[]	[]
Drew Claxton	[X]	[]	[]	[]
Deborah Post	[X]	[]	[]	[]
Janice Thompson	[]	[]	[X]	[]
Juliene Bell-Smith	[X]	[]	[]	[]
Rohan P. de Freitas	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss:

I, the undersigned (Acting) Secretary of the City of Peekskill Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the City of Peekskill Industrial Development Agency (the "Agency") including the resolution contained therein, held on May 23, 2023, with the original thereof on file in my 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 relates 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 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 seal of said Agency this _____ day of May 23, 2023.



(Acting) Secretary

[SEAL]