

City of Syracuse
INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY

EXEMPTION TABLE

(Exemption from increases in assessment resulting from improvements made to the subject property).

Year/Use Class	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
1	100%	80%	60%	50%		
2	100%	75%	55%	45%	(see attached	(see attached
3	100%	70%	50%	40%	Franklin	brownfields
4	100%	65%	45%	35%	Square	exemption
5	100%	60%	40%	30%	Exemption	policy)
6	100%	50%	35%	25%	Table)	
7	100%	40%	30%	20%		
8	75%	30%	25%	15%		
9	50%	20%	20%	10%		
10	25%	10%	10%	5%		
11+	0%	0%	0%	0%		

EXEMPTION TABLE KEY

Class 1

Eligible construction or rehabilitation projects located in a New York State designated Empire Zone.

Class 2

Eligible construction or rehabilitation projects directly related to manufacturing or processing uses.

Class 3

Eligible projects not defined under class 1 or class 2 above, involving rehabilitation of existing vacant structures.

Class 4

Eligible construction or rehabilitation projects not defined under Class 1, 2, or 3 above.

Class 5

Eligible projects located within the Franklin Square Development Area as provided by City Ordinance No. 380, July 14, 1988 (copy of abatement schedule attached).

Class 6

Eligible Brownfield projects as described in the attached "Class 6 Exemption: Brownfields".

City of Syracuse
INDUSTRIAL DEVELOPMENT AGENCY

Uniform Tax Exemption Policy
Class 6 Exemption: Brownfields

The following describes the Class 6 exemption under the City of Syracuse Industrial Development Agency Uniform Tax Exemption Policy designed to facilitate redevelopment of "Brownfields", defined as abandoned, undeveloped, idled or underutilized current or former commercial or industrial sites, perceived to be, or actually contaminated to some degree, that have not been redeveloped, utilized or expanded due to the uncertainty and risk regarding potential liability and cleanup costs.

For projects where the involved property is contaminated to some degree as evidenced by Phase I (ASTM) and Phase II Environmental Liability Assessments, the Syracuse Industrial Development Agency (SIDA) ("the Agency") will offer the following two-phased benefit:

Phase I Exemption

The Phase I exemption shall generally be equal to the sum of "eligible costs". Eligible costs shall be defined as the sum of the following:

- 1- *investigation and environmental clean-up costs associated with the project site (including engineering and legal expenses related thereto) +*
- 2- *the cost of borrowing/capital related to the intended clean-up +*
- 3- *carrying costs for the property during the clean-up period +*
- 4- *an amount determined by SIDA to incentivize clean-up.*

(NOTE: The incentive figure (#4 above) shall be determined by SIDA on a case-by-case basis, based on factors such as job creation, size of project, community impact, etc.)

The baseline, or minimum exemption ("Baseline Exemption") for eligible projects will be an amount equal to the real estate taxes that would otherwise be applicable to the property if no exemption were applied during the first full taxable year after SIDA approval (please refer to "General Provisions" below). SIDA may enhance the amount of this exemption (with approval from the City of Syracuse Common Council) based on an analysis of project impact, such analysis to include review of factors such as job creation, size of project, community benefit, etc. as noted above.

For purposes of establishing a PILOT (Payment in Lieu of Tax) Agreement and estimating the benefit to be provided, the developer shall provide SIDA with signed contractor proposals and rate/term information from prospective lenders as evidence of project clean-up and borrowing costs. Projected carrying costs shall be provided to SIDA for review and approval as appropriate. Applicant shall also provide SIDA with a certified work plan for remediation. Upon completion of the project, the developer shall provide SIDA with evidence of eligible project expenditures. The PILOT may be adjusted at that time to reflect any disparity between projected and actual costs.

The Phase I PILOT term shall be determined as follows: (1) using the existing and anticipated "as completed" assessment for the subject site, calculate the anticipated taxes for the project given intended improvements (assuming no exemptions) starting with the first full calendar year in which the exemption would be applied; (2) calculate the cumulative total of the tax obligations for each consecutive full tax year; (3) compare the cumulative taxes due in any given tax year with the total "eligible costs". The last year of the Phase I Exemption is the year in which the cumulative taxes meet or exceed total eligible costs.

The PILOT shall be adjusted on an annual basis to reflect any disparity between the projected and actual taxes that would have been owed without benefit of the PILOT. The project owner shall be provided with a copy of the adjusted PILOT upon request."

Phase II Exemption

Once the Phase I exemption period is complete, and after the intended clean-up and or development/redevelopment project is complete, the project shall receive the full benefit of any other applicable Uniform Tax Exemption classification available through SIDA.

For example: Assuming the calculated Phase I exemption is an amount equal to two years of otherwise applicable taxes on the property; that clean-up and construction is completed in three years; and that the property would have been eligible for a Class 4 exemption if the Brownfield exemption (Class 6 exemption) had not been applicable, the property owner would receive the following benefit:

- 1- *exemption from all real estate taxes on the project site for the first two full taxable years after SIDA approval;*
- 2- *full property taxes in year three, calculated based on the baseline assessment of the property;*
- 3- *property tax abatement according to the Class 4 PILOT schedule for the next ten years (years four (4) through thirteen (13)) calculated based on the new assessment for the property.*

General Provisions

SIDA reserves the right to cap PILOT benefits or to refuse to assist a project based on a cost benefit analysis indicating that, in SIDA's determination, the cost of the project is excessive given the projected benefit. As necessary, the cost benefit analysis shall be commissioned by SIDA and paid for by the applicant.

Real estate taxes that would have been due and payable on the property without benefit of the PILOT exemption shall be used as a basis for calculating the term of the Phase I exemption and the value of the Phase II exemptions. Where there is issue taken with regard to the assessed value of the project site, SIDA shall commission an appraisal (to be paid for by the project applicant), the value of which shall be used as the assessed value of the property for purposes of calculating the applicable exemption and associated PILOT payments. The "Baseline Assessment" is the assessed value for the project site prior to any clean-up or new development/redevelopment. The "New Assessment" shall be defined as the assessed value after such clean-up and/or development/redevelopment has been completed.

The "Class 6 Exemption: Brownfields" is not available, and shall not be applied, to any project which results in relocation of tenants inside the City of Syracuse to the site benefited by the intended PILOT, unless such tenants are expanding and will create new jobs, resulting in a significant net gain in employment, at the new location. Such job creation must be demonstrated satisfactorily to the SIDA Board.

Project applicants which generated, transported, disposed or arranged for the transportation and/or disposal of the contamination at or on the involved real property prior to SIDA application for the present project are not eligible for the "Brownfield Exemption" as described herein.

Approved projects must be completed no later than one year following the project completion date as indicated in the SIDA Application for the intended project, unless otherwise extended by SIDA. Projects not completed by that date shall forfeit their Phase I exemption, and shall reimburse SIDA the full amount of taxes that would have been due and payable on the property had the exemption not been applied.

In the case where excessive and unanticipated contamination is discovered during the course of remediation, and the applicant decides to withdraw from further development activity, SIDA may elect (following an economic analysis) not to require reimbursement of the Phase I exemption. Such action requires that all financial obligations associated with the project up to the time of withdrawal have been fully satisfied. As necessary, the economic analysis shall be commissioned by SIDA and paid for by the applicant.

APPLICATION FOR EXEMPTION

The interested Applicant/Project Owner must file an application for a Payment in Lieu of Tax (PILOT) with SIDA (the "Agency"). A copy of this application is attached hereto. SIDA may commission (at the expense of the Project Owner) an appraisal of the subject property if, for any reason, the assessed value of the property is in question.

SIDA and the City of Syracuse Common Council approvals of the proposed PILOT are required. The approved project shall become eligible for exemption during the tax year immediately following the taxable status date (January 1 of each year) after SIDA acquires title.

PROCEDURES FOR PILOT PAYMENT

The Company shall make periodic payments in lieu of property taxes, in the amounts authorized under the approved PILOT Agreement to the City of Syracuse, for each year of the Agreement. Such payment shall be made within the period that the City allows payment of taxes levied without penalty. The Project Owner shall be entitled to receive receipts from the City for such payments.

The City of Syracuse shall submit to the Company annual statements specifying the amount and due date or dates of any payments due to the Agency under the approved PILOT Agreement. Each said annual statement shall be submitted to the Company (or to an agent designated *in writing to SIDA* by the Company) at the same time that tax bills are mailed by the City of Syracuse to the owners of privately owned property.

If the company shall fail to make any payment required under the PILOT Agreement, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same, together with interest thereon, to the extent permitted by law, at the greater of (i) eighteen percent (18%) per annum, or (ii) the rate per annum which would be payable if such amounts were delinquent taxes, until so paid in full.

The City of Syracuse shall be responsible for disbursement of proportionate PILOT payments and any Additional Payments to affected taxing jurisdictions as applicable.

DEVIATION POLICY

In the event that SIDA is presented with a project that does not fit within the scope of the defined PILOT schedules, or a project that requires special consideration, SIDA may invoke its right to deviate from its published policy, and may devise a project-specific PILOT Agreement without regard to *the policy described above*. The developer shall be required to provide SIDA with project projections and written justification of the requested deviation. The Board shall consider any special circumstances, the projections, and the anticipated type and level of occupancy of the anticipated project when deciding to deviate from its standard PILOT Policy.

APPLICATION
for
PAYMENT IN LIEU OF TAX EXEMPTION

City of Syracuse Industrial Development Agency

1- **APPLICANT** _____

2- **ADDRESS** _____

3- **CONTACT PERSON:** _____ phone _____

4- **PROJECT ADDRESS:** _____

5- **TYPE OF PROJECT:**

Manufacturing

Commercial

Office

Retail

Other _____

6- **AT COMPLETION, THIS PROJECT WILL (check all that apply) :**

Result in Re-Use of a Vacant Structure

Be located in the Franklin Square Urban Renewal Area

Be located in the City of Syracuse, NYS Empire Zone

Result in Re-Use of a Brownfield site

7- **IS THE APPLICANT BUSINESS CURRENTLY OPERATING IN NEW YORK STATE?**

yes no

IF YES, (on separate attachment):

(a) List all operating locations including address.

(b) List the number of employees currently employed at each business location.

8- HOW MANY JOBS WILL BE CREATED UPON SUCCESSFUL COMPLETION OF THE SUBJECT DEVELOPMENT PROJECT?

of Jobs to be Created:

9- WHAT IS THE ANTICIPATED ANNUAL PAYROLL AT THE INTENDED PROJECT LOCATION?

Anticipated Annual Payroll: \$

10- IS APPLICANT REQUESTING A PROJECT-SPECIFIC PILOT OUTSIDE THE SCOPE OF THE DEFINED PILOT SCHEDULE (see attached)?

IF YES,

- (a) ATTACH A 15-YEAR PRO-FORMA FOR THE PROJECT, TOGETHER WITH A SUMMARY REQUEST DETAILING THE PILOT SCHEDULE REQUESTED.**
- (b) ATTACH A NARRATIVE JUSTIFICATION FOR THE REQUESTED DEVIATION.**