

**City of Utica
Industrial Development Agency
Application**

The information required by this form is necessary to determine the eligibility of your project for IDA benefits. Please answer all questions; insert "NONE", or "NOT APPLICABLE", where necessary. If an estimate is given, put "EST." after the figure. Attach additional sheets if more space is needed for a response than is provided. Return three copies of this application to the City of Utica Industrial Development Agency.

Once submitted with the IDA, this Application becomes public information and will be published on the IDA's website. If the applicant deems any information requested to be exempt from FOIL, please answer the question "CONFIDENTIAL" and submit the information on a separate attachment marked confidential and provide the statutory exemption

A project financed through this Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project.

**PART I
Applicant**

Applicant's legal Name: _____

Principal Address: _____

Project Address: _____

Telephone Number(s): _____

Federal Identification Number: _____

Company IRS Filing Office Location: _____

Company Officer completing this application:

Name: _____

Title: _____

Phone: _____ cell _____ office

Email: _____

1. A. **Is the applicant a:**

() Corporation: If YES, Public () Private ()
If a PUBLIC Corporation, on which exchange is it listed?

- () Sole Proprietorship
- () Partnership
- () Subchapter S
- () DISC
- () Other (specify) _____

B. State of incorporation/organization, if applicable: _____

2. **Stockholders, Directors, Officers, Partners or Members**

A. Provide the following information in regard to principal stockholders or parties:

<u>Name</u>	<u>Home Address</u>	<u>Percentage of Ownership</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. Provide the following information in regard to officers and directors:

<u>Company Officer</u>	<u>Name and Home Address</u>	<u>Other Principal Business Affiliation</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- C. Is the applicant or any of the persons listed in 2(A) above related, directly or indirectly, to any other entity by more than 50% common ownership? If also, indicate name of such entity and the relationship.

- D. Is the applicant affiliated with any other entity, directly or indirectly, other than as indicated in response to paragraph C above? If YES, please indicate name and relationship of such other entity and the address thereof:

3. **Applicant's accountant**

Name and Title: _____

Name of Firm: _____

Address: _____

Telephone Number: _____ Email: _____

4. **Applicant's attorney**

Name and Title: _____

Name of Firm: _____

Address: _____

Telephone: _____ Email: _____

5. **References** (Individuals and institutions in this section may be contacted)

A. Banking/Financial Institution:

<u>Name of Institution</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
----------------------------	---------------------------------	--

B. Business suppliers (list three largest accounts)

<u>Name of Supplier</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
-------------------------	---------------------------------	--

C. Major customers (list three largest)

<u>Name of Customer</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
-------------------------	---------------------------------	--

6. **Business Description**

A. Describe nature of business and principal products and/or services:

B. Describe the geographical market(s) served:

7. **Present location(s) of business operations**

A. List present location(s):

1.

2.

3.

B. For what purpose is each of these used?

1.

2.

3.

C. For each of your present locations which are RENTED, provide the following information:

D. Name of Landlord Landlord's Address Landlord's Telephone Number

1.

2.

3.

Amount of Space Annual Rental Lease Termination Date

1.

2.

3.

E. For each of your present locations which you OWN, provide the following information:

	<u>Location</u>	<u>Annual Mortgage Payment</u>	<u>Termination Date</u>
1.	_____		
2.	_____		
3.	_____		

F. List which of your present locations, if any, will be vacated if IDA approval for your project is given:

If any of these locations will be sublet or sold, provide information concerning your ability to do so:

How will the applicant's plans be affected if IDA approval is not granted?

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Identify the assistance being requested of the Agency (select all that apply):

1. Exemption from Sales Tax ____ Yes or ____ No
2. Exemption from Mortgage Tax ____ Yes or ____ No
3. Exemption from Real Property Tax ____ Yes or ____ No
4. Tax Exempt Financing * ____ Yes or ____ No

* (typically for not-for-profits & small qualified manufacturers)

A. **Type of Project**

Check category or categories best describing your project (O - Owner) and all end-users (T – Tenant(s)) and the square footage of each:

	Manufacturing	sf
	Industrial (Assembly or Service)	sf
	Research and Development	sf
	Warehousing	sf
	Commercial	sf
	Pollution Control	sf
	Housing	sf
	Back Office	sf
	Facility for Aging	sf
	Multi-Tenant	sf
	Retail	sf
	Recreational	sf
	Other (specify)	sf
	Total	sf

B. **Description of Proposed Project**

Check all appropriate categories which apply to the proposed project:

- | | | |
|--|--------|-------|
| 1. Acquisition of land | YES() | NO() |
| 2. Acquisition of existing building | YES() | NO() |
| 3. Renovations to existing building | YES() | NO() |
| 4. Construction of addition to existing building | YES() | NO() |
| 5. Demolition | YES() | NO() |
| 6. Construction of a new building | YES() | NO() |
| 7. Acquisition of machinery and/or equipment | YES() | NO() |
| 8. Installation of machinery and/or equipment | YES() | NO() |
| 9. Other (specify) _____ | YES() | NO() |

C. What is the zoning classification of the proposed site?

H. List the principal items or categories of equipment to be acquired as part of the project.

I. If any of this equipment has already been purchased or ordered, please attach all invoices and purchase orders and list amounts paid and dates of expected delivery as well as a brief description:

J. If the construction or operation of the proposed project will require any local ordinance or variance to be obtained or requires a permit or prior approval of any state or federal agency or body (other than normal occupancy/construction permits), please specify:

K. Will the project have a significant effect on the environment, YES () NO (). If YES, please describe the effect. **Important: please attach Environmental Assessment Form to this Application**

L. Will a related real estate holding company, partnership or other entity be involved in the ownership structure of the Transaction? YES () NO () If YES, please explain:
_HP Utica Preservation LLC is a partnership between general partner and investors to facilitate ownership and operation of Historical Park Apartments._____

M. 1. With regard to the present owner of the project site, please give:

Name: _____

Address: _____

Telephone Number: _____

2. If the applicant already owns the project site, indicate:

a. date of purchase: _____

b. purchase price: _____

The applicant has received all necessary commitments for financing,
and expects to close on the purchase by mid-August 2024.

3. If the project site is mortgaged, please indicate:

a. balance of mortgage: \$2,250,000_____

b. holder of mortgage: KeyBank_____

N. Is there a relationship, legally, by virtue of common control, or through related persons, directly or indirectly, between the applicant and the present owner of the project site?
YES () NO () If YES, please explain:

O. Is the company currently a tenant in the building to be occupied?

YES () NO ()

P. Are you planning to use/develop the entire proposed facility?

YES () NO ()

If NO, give the following information with respect to present tenants:

1. Present Tenant Information

a.	<u>Name of Business</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Tenant's Business</u>
----	-------------------------	------------------------	-----------------------------	------------------------------------

b. Which of the above tenants will be vacating upon your initial use of the facility? How many jobs will be affected?

<u>Name of Firm</u>	<u>Jobs</u>	<u>Square Footage Now Occupied</u>
---------------------	-------------	------------------------------------

c. For those tenants who will remain after your initial occupancy of the site, provide the following transaction:

<u>Name of Tenant</u>	<u>Term of Lease</u>	<u>Renewal Options</u>	<u>Square Footage Now Occupied</u>
-----------------------	----------------------	------------------------	------------------------------------

Are any of the above tenants related to the owner of the facility? YES () NO ()

d. If the applicant will be occupying the premises of any of the tenants listed in (c) when their lease expires, please list.

e. Please provide copies of all present lease(s) at the proposed project site.

f. Do you propose to lease part of the project facility to firms not presently tenants?

YES () NO () If YES, provide details of your proposals:

g. Will financing by the Agency for the Project result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area in the State of New York? YES () NO ()

If the answer is YES, please explain briefly the reasons for the move.

Is the proposed project reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the State of New York?

YES () NO ()

Is the proposed project reasonably necessary to preserve the competitive position of the project occupant in its respective industry? YES () NO ()

h. If any of the parties who will be tenants in this project are related to or affiliated with the applicant, please identify them:

1. Please attach any written agreements (e.g., options, purchase contracts, invoices, etc.) concerning the acquisition of the real property or equipment for this proposed facility.

2. Employment *

- a. List your present employment in the City of Utica, if any, and an estimate of the employment at the proposed facility at the end of two years. NOTE: New York State considers Full Time employment as 35 hours or more. Full-time jobs, plus the combination of two or more part-time jobs that, when combined together, constitute the equivalent hours of a full-time position (35 or more hours).

Employment	Current # of applicant's jobs at/or to be located at proposed project location	Number of FTE jobs to be RETAINED	Number of FTE jobs to be CREATED two years after project completion	Estimate number of residents in Labor Market Area that will fill projected jobs two years after project completion
Full-Time (FTE)				

The Labor Market Area consists of the following counties: Oneida, Lewis, Herkimer, Otsego, Madison and Oswego

- b. Characterize the labor force to be associated with this project location according to the following categories:

Category	Current/ Anticipated	Avg Salary or Salary Range	Avg Fringe Benefits or Range
Officers			
Sales/Supervisory			
Clerical			
Plant/Production			
Other (specify)			

Notes:

- c. Estimate the Annual Payroll for the employees associated with the project location.

Currently	End of Year One	End of Year Two
\$	\$	\$

* **Company/Applicant will be required to submit Annual Project Monitoring Reports (attached) along with a copy of the NYS 45 (four quarters) for a minimum of five (5) years for any commercial project and ten (10) years for any industrial/manufacturing project, or for the length of UIDA involvement in the project. Annual Project Monitoring Reports will be compared to employment counts as stated above and companies whose reported counts fall below those levels above will be subject to the Agency's Recapture Provisions Policy.**

Sources of Funds for Project Costs:

**% of Total
project costs**

Bank Financing:	\$ _____	_____
Equity (excluding equity attributed to grants/tax credits)	\$ _____	_____
Tax Exempt Bond Issuance (if applicable)	\$ _____	_____
Taxable Bond Issuance (if applicable)	\$ _____	_____
Public Sources (Include sum total of all state and federal grants and tax credits)	\$ _____	_____

Identify each state and federal grant/credit:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Sources of Funds for Project Costs: \$ _____

Have any of the above costs been paid or incurred as of the date of this Application?

Yes No. If Yes, describe particulars:

Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ _____

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage \$ _____

Amount as indicated above multiplied by 0.75%):

Please Note: The New York State General Municipal Law was recently amended to reflect that industrial development agencies are not exempt from the additional mortgage recording tax of .25% that is assessed to properties that are located within a regional transportation district. Oneida County is located within the Central New York Regional Transportation District; as such, all UIDA projects will be exempt from .75% of mortgage recording tax, but must pay .25% of mortgage recording tax, which will be directed to the Transportation District.

3. Estimated Project Cost

Listed the costs necessary for the construction, acquisition or renovation of the project (this should NOT include working capital needs, moving expenses, work in progress, stock in trade, applicant's debt repayment, real estate broker fees or your legal fees):

Acquisition of Land	\$ _____
Acquisition of Building(s)	\$ _____
Renovation Costs	\$ _____
New Construction of Buildings	\$ _____
Machinery and Equipment (taxable) (other than furniture costs)	\$ _____
Machinery and Equipment (non-taxable)	\$ _____
Furniture and Fixtures	\$ _____
Installation Costs	\$ _____
Architectural/Engineering Fees	\$ _____
Fees (other than your own counsel and brokerage fees)	\$ _____
Interest on Interim Financings	\$ _____
Other (specify) _____	\$ 3,919,480
<u>Financing Costs</u>	546,100
Total Project Cost	\$ _____

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ _____

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ _____

4. Real Estate Taxes

List separately the proposed project's Real Estate Taxes and/or Assessed Value as it applies to land and building:

Project's	Real Estate Taxes	Assessed Value
Land(s)	\$	\$
Building(s)	\$	\$
Total	\$	\$

Calculate the value of the PILOT exemption anticipated for the project described:

\$ _____

5. Project Schedule

Indicate the estimated dates for the following:

- a. Construction commencement: _____
- b. Construction completion: _____
- c. Project financing: List the dates and in what amounts the estimated funds will be required:

d. Indicate the name of the incorporated municipality in which the facility will be located and the applicant's (or any related entity's) estimated capital expenditures in such municipality during the past three years:

e. What do you expect the applicant's (or any related entities) capital expenditures to be in the above municipality during the next three years (including this project):

- f. If the applicant or any related entity has previously secured the benefit of tax exempt financing in the City of Utica, whether through IDA, the New York Job Development Authority or any other entity, please explain (indicate date, location of financed facility, and outstanding balance):

- g. Has the applicant or any related entity received the benefit of tax exempt financing anywhere within the United States within the past 90 days or is the applicant or any related entity contemplating the receipt of such financing assistance within the next 90 days? YES (X) NO () if YES, please explain.

6. Project Financing Efforts

IT IS THE APPLICANT'S RESPONSIBILITY TO SECURE A PURCHASER FOR IDA BONDS ISSUED IN CONJUNCTION WITH THIS PROJECT. Below are a series of questions relating to your efforts to secure financing for your project if IDA approval is granted.

- A. Has the applicant contacted any bank, financial/lending institution or private investor in regard to the financing for this project? YES () NO () If YES, please give details:

B. Have you obtained a financial commitment for this project? YES () NO ()

1. If YES, please briefly describe this commitment and attach related correspondence:

2. If NO, please explain how you will be able to finance this project:

C. Are there any other governmental agencies that you have contacted concerning financial assistance in regard to your proposed project? YES () NO () If YES, please explain:

D. 1. Will the applicant's obligations be guaranteed, and if so, by whom?

2. Is the guarantor related to or affiliated with the applicant?

E. Financial Information (Attach the Following).

1. Financial Statements for the last three fiscal years.
2. Pro forma Balance Sheet as at start of operations at project site.
3. Projected Profit and Loss Statements for first two years of operation at project site.
4. Projected "Cash Flow" Statement, by quarters, for first year of operation at project site.

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the City of Utica Industrial Development Agency (the "Agency") and its Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
2. **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site as well as tax benefits received with the action of the Agency. Failure to provide such reports as provided in the transaction documents will be an Event of Default under the Lease (or Leaseback) Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
3. **Absence of Conflict of Interest.** The Applicant has consulted the Agency website of the list of the Agency members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described (if none, state "none"):
4. **Hold Harmless.** Applicant hereby releases the Agency and its members, officers, servants, agents and employees from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax

exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

5. The Applicant acknowledges that the Agency has disclosed that the actions and activities of the Agency are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.
6. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
7. The Applicant acknowledges that it has been provided with a copy of the Agency's recapture policy (the "Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
8. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
9. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
10. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

11. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

12. The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF Maryland)
COUNTY OF Montgomery) ss.ij

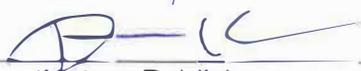
Matt Sisen, being first duly sworn, deposes and says:

1. That I am the AUTHORIZED PERSON (Corporate Office) of HP UTICA PRESERVATION LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

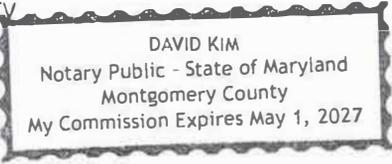


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 31 day of July, 2024



(Notary Public)



If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: _____
Name: _____
Title: _____
Date: _____

Return the original application and six copies with a check in the amount of \$250.00 made payable to: Utica Industrial Development Agency, 1 Kennedy Plaza, Utica, New York, Attn.: Jack N. Spaeth, Executive Director.

UIDA Application Supplementary Information

2. Stockholders, Directors, Officers, Partners or Members

A. Provide the following information in regard to principal stockholders or parties:

<u>Name</u>	<u>Home Address</u>	<u>Percentage of Ownership in Applicant</u>
STC HP Partners LLC		26.91%
HP Utica Pres MM LLC	5272 River Road, Suite 450, Bethesda, MD 20816	73.09%
SpringTide Holdings LLC	5272 River Road, Suite 450, Bethesda, MD 20816	28.00000%
Scylla Partners LLC	5272 River Road, Suite 450, Bethesda, MD 20816	72.00000%
Eliot Reid	8805 Bellwood Road, Bethesda, MD 20817	57.00560%
Matthew Sislen	5626 Bradley Boulevard, Bethesda, MD 20814	26.24720%
Christopher Lischke	115 Sandra Muraida Way, Apt 618, Austin, TX 78701	13.24800%
Lauren Lischke	401 Guadalupe St, Apt 2210, Austin, TX 78701	3.49920%

Pg 10 2C – Listing of other apartment buildings/complexes that applicant/partners own/operate:

- Conifer Village – Baldwinsville, NY – 199 Apartments
- Country Club Apartments – Baldwinsville, NY – 48 Apartments
- Beekman Towers – Plattsburgh, NY – 124 Apartments
- Springfield Gardens – DeWitt, NY – 310 Apartments
- Syracuse 11 – All in Syracuse, NY – 243 Apartments
 - 2546 James St – 16 Apartments
 - 205 N Townsend St – 26 Apartments
 - 1200 South Ave – 15 Apartments
 - 723 W Onondaga St – 28 Apartments
 - 417 University Ave – 24 Apartments
 - 2028 S Salina St – 27 Apartments
 - 2929 S Salina St – 20 Apartments
 - 303 W Catherine St – 21 Apartments
 - 132 MLK W – 18 Apartments
 - 245 MLK W – 21 Apartments
 - 301 Columbus Ave – 27 Apartments

**UTICA INDUSTRIAL DEVELOPMENT AGENCY
COST/BENEFIT ANALYSIS
Required by §859-a(3) of the
New York General Municipal Law**

TO BE ATTACHED TO AND MADE PART OF APPLICATION TO THE AGENCY

Name of Applicant: HP Utica Preservation LLC

Address of Project: 100 Rutger Street
Utica, NY 13501

Description of Project:

The Applicant is acquiring an existing multifamily affordable rental housing property for the purpose of substantially renovating and owning/operating it for the long-term. This property is supported by federal operating subsidy (HUD Section 8), and the Applicant will use senior mortgage debt and NY State funding to finance the acquisition and renovations, and will operate them as as renovated affordable housing once renovation is complete. We are undertaking this project to improve the stock of affordable housing in Utica, which will benefit both residents, the City and other stakeholders.

Name of all Sublessees or Other Occupants of Facility:

121 residential tenants

Principals or Parent Company of Applicant:

SpringTide Holdings LLC

Principals of any Sublessee or Occupant:

Product/Services of Applicant:

Affordable multifamily housing renovation

Estimated Completion Date of Project: 12/30/2025

Type of Financing/Structure:

- Tax-Exempt Financing
 Taxable Financing
 Lease/Leaseback, Sale/Leaseback
 Other

Explain: Applicant will lease property to IDA who will in turn lease back to facilitate PILOT eligibility

Types of Benefits Tax-Exempt Bonds
Expected to Receive: Sales Tax Until Completion Date
 Mortgage Tax Abatement
 x Real Property Tax Abatement

Project Costs - Capital Investment

Land	\$ 165,000	Cost per Acre \$ 93,750
Existing Building	\$ 14,085,000	
Rehab of Existing Building	\$ 9,335,582	
Construction of New Building	\$ _____	Cost per Sq Ft \$ _____
Addition or Expansion	\$ _____	Cost per Sq Ft \$ _____
Engineering and Architectural Fees	\$ 249,785	
Equipment (detail below)	\$ _____	
Legal Fees		
Bank, Bond, Transaction, Company, Credit Provider, Trustee	\$ 300,000	
Finance Charges		
Title Insurance, Environmental Review, Bank Commitment Fee, Appraisals, etc.	\$ 2,628,623	
 TOTAL COST OF PROJECT	 \$ 26,763,990	

Type of Equipment to be Purchased

Replacement of all major building systems, upgrade/repair of building exterior, wifi throughout the property,
 roof/window replacement, upgraded security camera, lighting and site access controls, in unit and common area floor replacement,
 new kitchens (incl. cabinets) and appliances, upgraded bathrooms, energy efficient light and water fixture installations

Grants or Loans expected to be received (by who and amount)

Fannie Mae - Senior Mortgage Loan	\$ 11,600,000
NY State HFA Subordinate Loan	\$ 14,900,000
NYSERDA Grant	\$ 144,000

Company Information

Existing Jobs 3
 Created Jobs (by year 3)
 Retained Jobs 3

BENEFITS

Taxable Goods and Services

		Spending Rate	Wages	Expenditures	Sales Tax Rate	State/ Local Sales Tax Revenues
Direct Jobs						
_____	Created	36.0%	x _____ = _____	x 8.75%	= _____	
<u>3</u>	Existing	36.0%	x 159,750 = 57,510	x 8.75%	= 5,032	
Indirect Jobs						
_____	Created	36.0%	x _____ = _____	x 8.75%	= _____	
_____	Existing	36.0%	x _____ = _____	x 8.75%	= _____	
<u>121</u>	Construction	36.0%	x 4,667,791 = 1,680,405	x 8.75%	= 147,035	
	Totals		<u>4,827,541</u>	<u>1,737,915</u>		<u>152,067</u>
						<u>x 3 years = 456,201</u>

Real Property Taxes

Local (3 year) real property tax benefit (assuming 66 % of jobs existing and created own a residence with an average assessment of \$ 75,000 and the remainder of jobs existing and created pay real property taxes through rent based on an average assessment per apartment of \$ 25,000 Current tax rate: 67.25/\$1000 of AV

Real Property Taxes Paid \$ 11,769 x 3 = 35,308

3 Yr Comparative Benefits \$ 491,509

COSTS

Real Property Taxes Abated on Improvements only (3-year period) \$ 32,290

Mortgage Tax Abated \$ 0

Estimated Sales Tax Abated During Construction Period \$ 0

3 Yr Comparative Costs \$ 32,290

(If there is tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be qualified.)

UIDA Cost Benefit Analysis Supplementary Information:

Description of Project: The Applicant is acquiring an existing multifamily affordable rental housing property for the purpose of substantially renovating and owning/operating it for the long-term. This property is supported by federal operating subsidy (HUD Section 8), and the Applicant will use Fannie Mae senior mortgage debt paired with New York State HFA subordinate debt and a NYSERDA grant to fund acquisition and renovation of the properties. We will operate the property as renovated affordable housing once renovation is complete. We are undertaking this project to improve the stock of affordable housing in Utica, which will benefit both residents, the City and other stakeholders.

Type of Equipment to be Purchased: Replacement of all major building systems, upgrade/repair of building exterior, wifi throughout the property, roof/window replacement, upgraded security camera, lighting and site access controls, in unit and common area floor replacement, new kitchens (incl. cabinets) and appliances, upgraded bathrooms, energy efficient light and water fixture installations.

**City of Utica Industrial Development Agency
One Kennedy Plaza, Utica, New York 13502**

RETAIL DETERMINATION

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A.** Will any portion of the project consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Yes or No. If the answer is yes, please continue.

For purposes of Question A, the term “retail sales” means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the “Tax Law”) primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B.** What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? _____ %
If the answer is less than 33% do not complete the remainder of the retail determination.

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

- 1.** Will the project be operated by a not-for-profit corporation Yes or No.

- 2.** Is the Project location or facility likely to attract a significant number of visitors from outside the City of Utica?

Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

- 3.** Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes or No.

If yes, explain _____

5. Is the project located in an area that has been designated an Empire Zone? Yes or No

The undersigned hereby certifies that the information contained in this Retail Determination is true, accurate and complete.

Print Name of Applicant: _____

Print Name of Authorized Representative: _____

Title: _____

Signature: _____ 

Date: _____

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information			
HP Utica Preservation LLC			
Name of Action or Project: Historical Park Apartments			
Project Location (describe, and attach a location map): 100 Rutger Street, Utica, NY 13501			
Brief Description of Proposed Action: Acquisition and renovation of a multifamily property.			
Name of Applicant or Sponsor: HP Utica Preservation LLC		Telephone: 202.487.5445	
Address: 5272 River Road, Suite 450		E-Mail: matt@springtidehousing.com	
City/PO: Bethesda		State: MD	Zip Code: 20816
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: Building Permit from City of Utica Codes Department and Bond Issuance from City of Utica IDA			YES <input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action? _____ 1.763 acres			
b. Total acreage to be physically disturbed? _____ 0 acres			
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ 1.763 acres			
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

	NO	YES	N/A
5. Is the proposed action,			
a. A permitted use under the zoning regulations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Are public transportation services available at or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____			

**Inducement Resolution
HP Utica Preservation LLC
Historical Park Apartments Facility**

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION WITH HP UTICA PRESERVATION LLC, THE PRINCIPALS OF HP UTICA PRESERVATION LLC, AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, AUTHORIZING A PUBLIC HEARING AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, HP Utica Preservation LLC, on behalf of itself and/or the principals of HP Utica Preservation LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a lease-leaseback transaction in which the Agency will assist in (i) acquisition and substantial renovation of an existing 12-story, 93,250± square foot multifamily affordable housing facility with 121 units and indoor and outdoor common areas known as the Historical Park Apartments (the "Improvements") situated on a _____± acre parcel of land located at 100 Rutger Street in the City of Utica, Oneida County, New York (collectively, the "Land") and (ii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be owned and operated by the Company as a multifamily affordable housing facility to enhance economic development and retain employment in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"); and

WHEREAS, the Company is the fee owner of the Facility and will lease the Facility to the Agency pursuant to a Lease Agreement; and

WHEREAS, the Facility will be leased back to the Company for its operation pursuant to a Leaseback Agreement by and between the Agency and the Company (the "Leaseback Agreement") and pursuant to Article 18-A of the General Municipal Law of

the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the “Act”); and

WHEREAS, the Company intends to further sublease individual residential units comprising the Facility to residential tenants (each a “Residential Sublessee” and collectively the “Residential Sublessees”); and

WHEREAS, the Company intends to further sublease a 1,000± square foot portion of the Facility to a retail tenant (the “Retail Sublessee” and together with the Residential Sublessees the “Sublessees”); and

WHEREAS, KeyBank, National Association (the “Bank”) intends to finance a portion of the costs of the Facility by extending a loan to the Company in the estimated principal sum of \$11,600,000.00 to be secured by a mortgage (the “Senior Mortgage”) from the Company to the Bank; and

WHEREAS, the New York State Housing Finance Agency (“NYS HFA”) intends to finance a portion of the costs of the Facility by extending a loan to the Company in the estimated principal sum of \$14,900,000.00 to be secured by a Subsidy Mortgage (the “HFA Mortgage”) from the Company to NYS HFA; and

WHEREAS, the City of Utica commissioned a housing study (the “Utica Housing Study”) that identified a need for quality affordable housing; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments the lesser of (i) seven percent (7.00%) of the effective gross income of the Facility or (ii) the full amount of property taxes (the “Financial Assistance”), which Financial Assistance is a deviation from the Agency’s Uniform Tax Exemption Policy; and

WHEREAS, the value of the proposed Financial Assistance is as follows:

Sales and use tax exemption	N/A
Mortgage recording tax exemption	N/A
Real property tax abatement	\$ _____ (approximately)

WHEREAS, the Agency is contemplating deviating from Policy for the following reasons:

- **The nature of the proposed Facility** – The mixed-use nature of the Facility will provide necessary amenities, is in furtherance of the Downtown Revitalization Initiative and is consistent with the Master Plan for the City of Utica. The Facility will also fill a demand for housing identified in the Vision2020 initiative and the City of Utica Housing Study.
- **The nature of the Facility before the project begins** – The Historic Park Apartment complex is an historic building that is underutilized and in need of rehabilitation.
- **The economic condition of the area at the time of the application** – the Facility is located in an area that has been designated an economic development zone pursuant to Article 18-B of the General Municipal Law, and is therefore located in a “highly distressed area” (as defined in Section 854(18) of the New York General Municipal Law) because the Facility is located in a former Empire Development Zone as described in Article 18-B of the General Municipal Law
- **The impact of the proposed Facility on existing and proposed businesses and economic development projects in the vicinity** – redeveloping and stabilizing the Facility will help to revitalize downtown Utica and will support and complement new and future projects, including the Mohawk Valley Health Services downtown campus, the Nexus Center and the Wolfsped facility.
- **The extent to which the Facility will retain and increase permanent, private sector jobs.**
- **The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located** – as the building has been underutilized for several years, private development and ownership may be a boost to the local taxing jurisdictions by providing for additional real property tax revenues through the possibility of a higher assessed value.

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any Financial Assistance, a public hearing (the “Hearing”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a lease-leaseback transaction, and the granting of any Financial Assistance, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, prior to the granting of any financial assistance, the Agency must make a finding that the Project will promote employment opportunities and prevent economic deterioration in the area served by the Agency; and

WHEREAS, the Company has submitted to the Agency an application and supporting materials to support said finding, including but not limited to the memorandum dated October 1, 2023 from Matt Sislen (and accompanying information) regarding the economic and other benefits to the City of Utica expected to result from the Project; and

WHEREAS, the Agency has given due consideration to the application and other materials submitted by the Company and to representations by the Company that the proposed grant of financial assistance, is an inducement to the Company to acquire and renovate the Facility, and will promote employment opportunities and prevent economic deterioration in the City of Utica; and

WHEREAS, the members of the Agency now desire to take certain initial actions to authorize the Project.

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and delivered to the Agency pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations") and other representations and information furnished by the Company regarding the Project, the Agency determines that the action relating to the Project constitutes the replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, and is therefore a "Type II" action, as that term is defined in the

SEQR Act and the Regulations, for which no further environmental review is required under the SEQR Act and the Regulations.

- Section 2.
- (a) The Project constitutes a “project” within the meaning of the Act.
 - (b) The undertaking of the Project by the Agency will induce the Company to acquire and renovate the Facility in the City of Utica, thereby preserving the supply of adequate, safe and sanitary low rent housing accommodations for persons and families of low income, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the City of Utica and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;
 - (c) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction for the purpose of providing financial assistance for the acquisition, renovation and equipping of the Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction.
 - (d) The purpose of the Project is to significantly rehabilitate existing affordable housing, which fills a need identified in the Utica Housing Study by increasing the stock of new and safe, affordable housing as well as rehabilitating underutilized buildings into affordable housing.
 - (e) Based on the representations made by the Company and the materials provided in the Application, the Project will promote employment opportunities and prevent economic deterioration in the City of Utica.

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease-leaseback transaction and the acquisition, renovation and equipping of the Facility (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes

in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

- Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall (i) assist with the acquisition, renovation and equipping of the Facility, (ii) lease the Facility to the Company pursuant to an agreement by and between the Agency and the Company whereby the Company will be obligated, among other things, to make payments to or for the account of the Agency.
- Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the lease-leaseback transaction.
- Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.
- Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 8. A copy of this resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours, and shall also be posted on the Agency's public website.
- Section 9. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

I, the undersigned Assistant Secretary of the City of Utica Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the City of Utica Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on August 7, 2024 at 9:00 a.m., local time, at One Kennedy Plaza, Utica, New York which the following members were:

Members Present:

Member Excused:

Also Present:

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (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 in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____ 2024.

Jack N. Spaeth, Assistant Secretary

DRAFT

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the ____ day of August 2024, at ____ AM, local time, at Utica City Hall, Urban & Economic Development Corporation conference room, Second Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

HP Utica Preservation LLC, on behalf of itself and/or the principals of HP Utica Preservation LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a lease-leaseback transaction in which the Agency will assist in (i) acquisition and substantial renovation of an existing 12-story, 93,250± square foot multifamily affordable housing facility with 121 units and indoor and outdoor common areas known as the Historical Park Apartments (the "Improvements") situated on a ____± acre parcel of land located at 100 Rutger Street in the City of Utica, Oneida County, New York (collectively, the "Land") and (ii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be owned and operated by the Company as a multifamily affordable housing facility to enhance economic development and retain employment in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated by the Company.

The Company will lease the Facility to the Agency for a term of approximately thirty-five (35) years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sub-lease the Facility to residential tenants and a retail tenant to be determined from time to time. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments the lesser of (i) seven percent (7.00%) of the effective gross income of the Facility or (ii) the full amount of property taxes (the "Financial Assistance"), which Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. Comments may also be submitted to the Agency in writing or electronically prior to the Public Hearing. Members of the public may also access the Public Hearing on the Agency's website. Minutes of the Public Hearing will be transcribed and posted on the Agency's website. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of

the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York and on the Agency's website.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

Dated: August __, 2024

By: /s/ Vincent J. Gilroy, Jr., Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING

City of Utica Industrial Development Agency
2024 Real Estate Lease
HP Utica Preservation LLC Facility

1. Jack Spaeth, Executive Director of the City of Utica Industrial Development Agency (the “Agency”), called the hearing to order at _____ a.m.
2. The Executive Director, also being the Assistant Secretary of the Agency, recorded the minutes of the hearing.
3. The Executive Director then described the proposed project and related financial assistance as follows:

HP Utica Preservation LLC, on behalf of itself and/or the principals of HP Utica Preservation LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has applied to the Agency to enter into a lease-leaseback transaction in which the Agency will assist in (i) acquisition and substantial renovation of an existing 12-story, 93,250± square foot multifamily affordable housing facility with 121 units and indoor and outdoor common areas known as the Historical Park Apartments (the “Improvements”) situated on a _____± acre parcel of land located at 100 Rutger Street in the City of Utica, Oneida County, New York (collectively, the “Land”) and (ii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the “Equipment”), all to be owned and operated by the Company as a multifamily affordable housing facility to enhance economic development and retain employment in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the “Facility” and the acquisition, renovation and equipping of the Facility is referred to collectively as the “Project”). The Facility will be initially operated by the Company.

The Company will lease the Facility to the Agency for a term of approximately thirty-five (35) years (the “Lease Term”). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sub-sublease the Facility to residential tenants and a retail tenant to be determined from time to time. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of abatement of real property tax for a period of thirty-five (35) years during which time the Company

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

I, the undersigned Assistant Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the City of Utica Industrial Development Agency (the "Agency") on August __, 2024 at ___ a.m. local time, at Utica City Hall, Urban & Economic Development Corporation conference room, Second Floor, One Kennedy Plaza, Utica, New York with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2024.

(Assistant) Secretary

- Live Now
- Markets
- Economics
- Industries
- Tech
- AI
- Politics
- Wealth
- Pursuits
- Opinion
- Businessweek
- Equality
- Green
- CityLab
- Crypto
- More

CityLab | Economy

How Affordable Housing Can Improve the American Economy

Building more affordable housing units in the metros that are centers of innovation will increase demand for the wares that fill houses, and increase productivity.



In Miami, around 45 percent of households are cost-burdened, meaning residents spend more than 30 percent of their income on rent. *Carlos Barria/Reuters*

By [Richard Florida](#)

February 5, 2019 at 1:13 PM EST

Listen 6:26

Housing is a big part of America’s story of innovation, productivity, and economic growth. For much of the industrial 20th century, housing helped to drive the economy by stimulating demand. Building more housing—especially in the suburbs—stoked the demand

for more cars, washing machines, and other durable goods from America's factories, creating good jobs for American workers and setting in motion a virtuous circle of economic growth.

But housing plays a very different role in today's knowledge economy, where innovation and growth stimulate the clustering of knowledge, talent, and ideas. As a growing chorus of economists point out, the problem today is that we do not have enough housing—especially affordable housing—in the expensive and productive locations that drive the economy. The economic consequences often mean unskilled workers are unable to access good jobs in these cities, which costs the economy a huge amount in lost productivity.

Bloomberg CityLab

Sale of Luxury Villas Starts in New Zimbabwean City for the Rich

In Red-Hot Austin, Climate Fears Can't Stop a \$4.5 Billion Highway Expansion

Sunak Prepares to Set Out a Pro-Motorist Agenda, Guardian Says

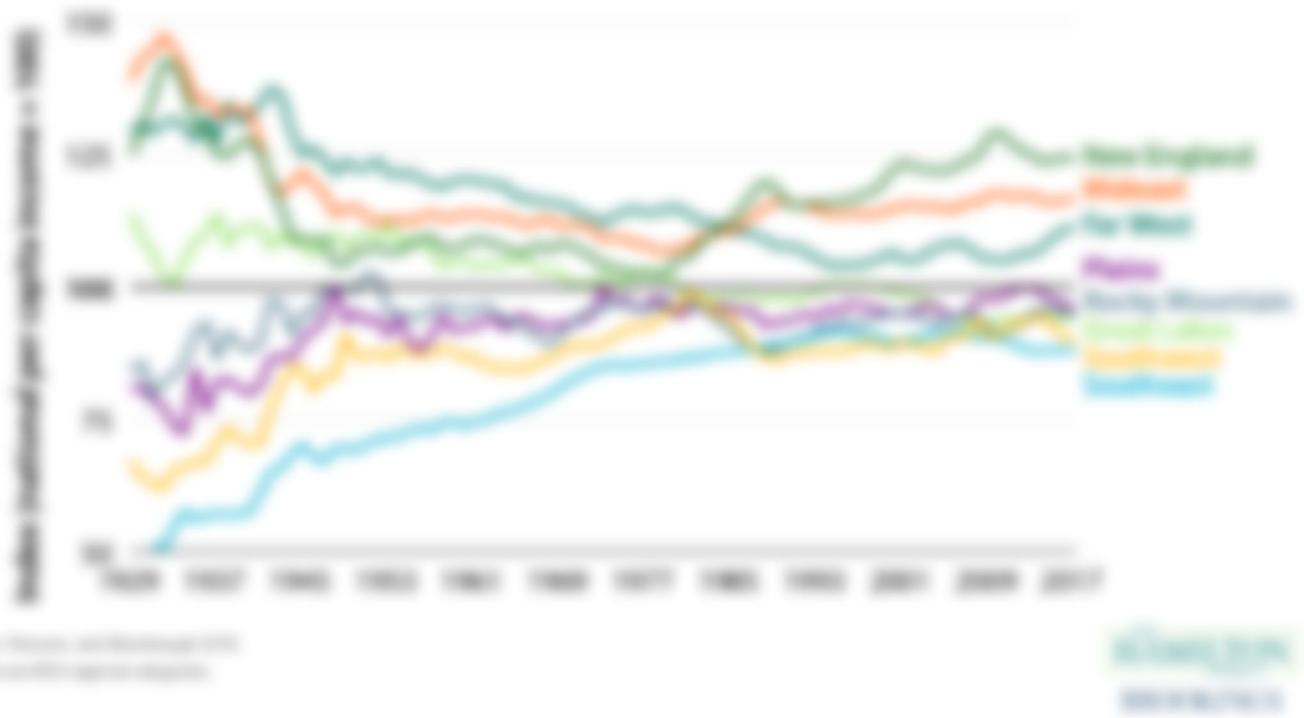
Bangkok Readies New Airport Terminal Before Tourist Rush

A new [study by The Hamilton Project](#) at the Brookings Institution documents the dimensions of the housing-productivity nexus today and outlines a variety of possible solutions for all three levels of government, informed by innovative initiatives forged in places within and outside of the United States.

Advertisement

The chart below details the scope of the problem. For much of the 20th century, economic outcomes were converging across the United States. But that began to change by the 1970s, with the decline in manufacturing and the onset of the knowledge economy, as the economies of U.S. regions began to diverge.

**Per Capita Income Relative to the National Average by Region,
1929-2017**

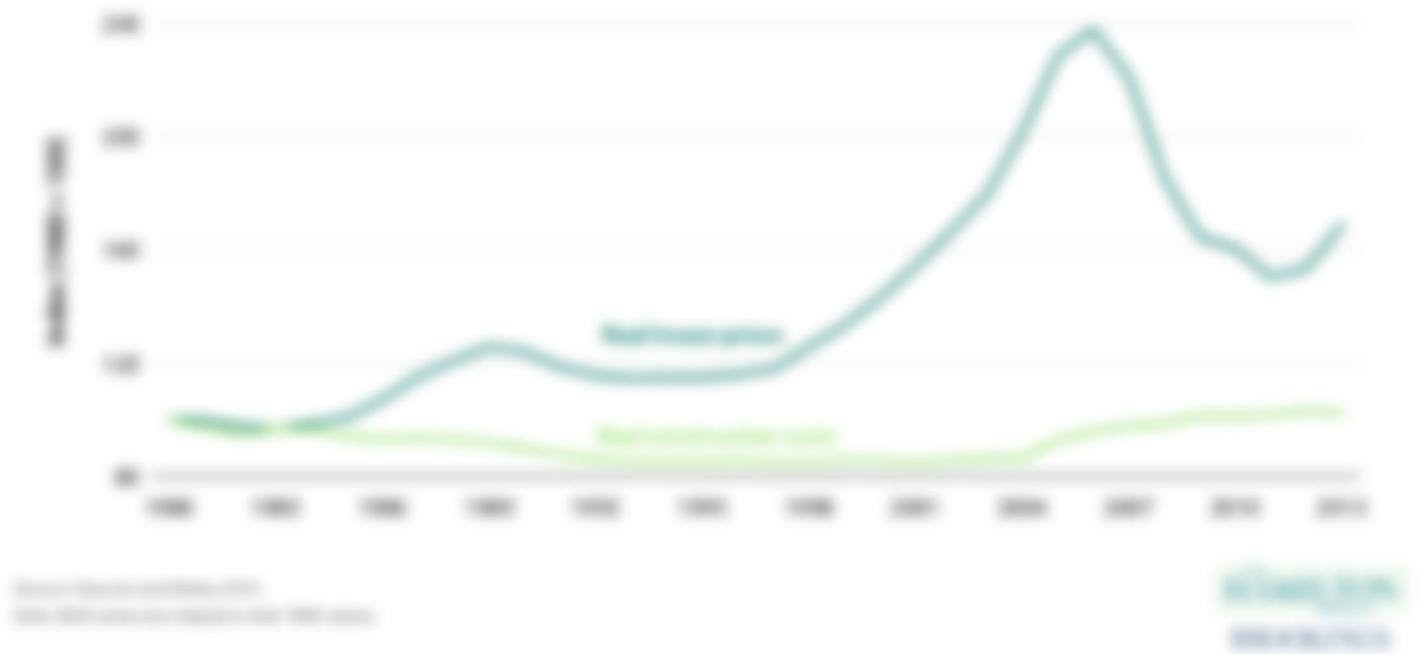


The big problem today is not just economic inequality, but growing geographic inequality. The study arrays some startling statistics on the scope of this geographic divide.

- Nearly 60 percent of adults between the ages of 25 and 34 in Boston have graduated from college, compared to less than 20 percent in Lakeland, Florida.
- The obesity rate is nearly 40 percent in West Virginia versus 22.6 percent in Colorado.
- There's a life expectancy gap of ten years between residents of Gadsden, Alabama (72.9 years of age) and those in San Jose, California (82.7 years of age).

A big part of the problem the study argues, stems from incredible differences in housing costs, which reflect underlying differences in productivity and lock many less-advantaged people out of these gains. In the most productive parts of the United States, like the San Francisco Bay Area and the New York-Boston-Washington corridor, housing prices have risen far faster than in the rest of the country. And the chart below shows housing costs have risen far faster than the costs of construction, meaning much of the surplus being generated, especially in expensive cities, has been channeled directly into the rising cost of land.

Real Construction Costs and House Prices, 1980-2013



The Hamilton Project at the Brookings Institution

These implications are all too clear in the next chart that shows the fraction of homes in various metros that exceeds the standard affordability threshold of 30 percent of income. (The chart focuses on affordability as it pertains to working- and middle-class families; it does not include those below the poverty line). San Francisco, New York, Boston, Los Angeles, Seattle, and Miami all have a disproportionate share of cost-burdened households by this measure.

Percent of Housing Units that Are Cost-burdened, Selected Cities



The Hamilton Project at the Brookings Institution

How should governments deal with the nexus of housing and productivity, one that limits economic opportunity for less-skilled workers and holds back economic growth across the board?

The study puts land-use restrictions, which limit the supply of housing in innovation centers, on the front burner. But it also argues that solving the problem requires developing new strategies to address housing affordability for blue-collar workers and disadvantaged groups.

Advertisement

The study looks for inspiration from innovative efforts in several cities across the world:

Tokyo has liberalized housing regulation significantly to develop more housing. It permitted much new housing at greater densities and heights, enabling it to alleviate a once-massive housing problem. It also has an extensive subway and transit system that allows residents to commute efficiently from significant distances.

Montreal has focused on the development of low- and mid-rise apartments, instead of tall skyscrapers or single-detached homes. It's far more affordable than Toronto or Vancouver, cities that rank among the most expensive in the world. In fact, more than three-quarters of the city's residences are apartments in duplexes, row houses, semi-detached houses, or other buildings with fewer than five stories, more than double the 35 percent figure for Canada as a whole. The housing was often designed to be produced inexpensively. By investing moderate amounts to build mid-level housing, rather than a few expensive skyscrapers, the city has solved the "missing-middle" problem, creating family-sized housing at affordable costs.

Building Density in Montreal, 2004



[View the full report](#)
[Download the report](#)
[View the report](#)



The Hamilton Project at the Brookings Institution

Vienna has redefined public housing in ways that work for it. Nearly 60 percent of the city’s residents—including middle-class residents, not just those who are low-income—live in houses that are owned, built, or managed by the government. In addition, their rents are tied to both income and maintenance, which helps ensure that the properties are kept in good shape. While public housing is thoroughly debated in America, Vienna produces more housing per resident than other similarly sized European cities and has one of the lowest house price-to-income ratios in Europe.



Enter your email Sign Up

By submitting, I agree to the [Privacy Policy](#) and [Terms of Service](#), and to receive offers and promotions from Bloomberg.

Increasing housing supply is just one part of dealing with America’s housing crisis and the economic problems along with it. This is a political as well as an economic imperative, as the study points out. Pressure is mounting on political leaders in superstar cities to address housing affordability through initiatives like expanded rent control or inclusionary zoning, which mandate that developers construct some proportion of affordable housing units in return for greater densities. The study suggests the more efficacious route is to combine housing vouchers—which give less-advantaged residents income supplements to purchase more housing—with efforts to increase housing supply.

“Demand-side policies are strong complements to an easing of land-use restrictions,” the authors write. “Promoting demand-side subsidies alongside movements to allow market-rate construction is not just sound politics—it is sound economics. These affordability programs will provide better bang for the buck when housing supply is less restricted.”

Ultimately, the study makes the critically important point that there is no magic bullet solution to America’s housing-inflected economic woes. Policies to increase supply by developers and demand by less-advantaged residents need to be seen as complementary strategies to be implemented together.

CityLab editorial fellow Claire Tran contributed research and editorial assistance to this article.

Richard Florida is a professor at the University of Toronto's School of Cities and Rotman School of Management. He is the author of “The Rise of the Creative Class” and “The New Urban Crisis.”

Get Alerts



Have a confidential tip for our reporters? [Get in Touch](#)

Before it's here, it's on the [Bloomberg Terminal](#)

[Terms of Service](#) [Do Not Sell or Share My Personal Information](#) [Trademarks](#) [Privacy Policy](#)

©2023 Bloomberg L.P. All Rights Reserved

[Careers](#) [Made in NYC](#) [Advertise](#) [Ad Choices](#) [Help](#)

REAL ESTATE

How Whole Communities Benefit From Affordable Housing



Richard Burns Forbes Councils Member

Forbes Biz Council **COUNCIL POST** | Membership (Fee-Based)

POST WRITTEN BY

Richard Burns

Jan 6, 2020, 08:00am EST | 15,398 views



photo: GETTY

In the pantheon of misconceptions about affordable housing (and there are many — that it attracts less desirable residents, is inherently built of lesser quality and will drag down a

neighborhood), there is the myth that a community with affordable housing couldn't possibly be good for business. I am here to tell you that is wrong.

Modern affordable housing attracts a wide, diverse range of residents and is built of quality that matches or sometimes exceeds that of market-rate housing. Not only that, but affordable housing can be a much-needed boon to local, neighborhood businesses and larger companies alike.

The entire affordable housing real estate ecosystem — developers and builders, architects, property managers, and those in law and finance — stands to benefit from creating and preserving this stable asset class. Why? Affordable housing stays rented; most properties have waiting lists. And the rents are more reliably paid, often through a voucher system that ensures it. Unlike luxury properties with occupancy rates that fluctuate with the economy, affordable housing rentals remain steady.

However, benefits are best accrued to those who are willing to learn about how affordable housing functions in a community. A potential investor who gains a good understanding of the following economic benefits of affordable housing is in an optimum position to invest and build profitably.

Increased Spending Power

Those living in affordable housing are able to spend **substantially more** on nutritious food and on healthcare.

Rent is the single biggest expense for most people, and often the most worrisome. When low- to middle-income families know that they can afford their rent each month, it frees up their ability to spend more on other essential items. Additionally, when affordable

housing properties also offer quality resident services, assisting their communities with health, nutrition and financial decision-making, the benefits become evident in the area. We have seen this effect as more and more shops, restaurants and healthcare facilities have opened in areas where NHPF has properties.

Those seeking to invest in affordable housing where residents can increase their spending power need to have “boots on the ground” in communities that have already attracted housing previously. Success breeds more success, so becoming well-versed on a community’s makeup, conducting studies, and meeting with local officials, those in development and construction, etc. can provide an excellent snapshot of opportunities to build new affordable housing or invest in rehabbing older stock in need.

Increased Hiring

Building, preserving and sustaining affordable housing requires a cadre of construction tradespeople, property managers, leasing agents, security staff and others — [161 local jobs](#) on average in the first year alone.

And that is just the beginning. Local businesses are necessary to provide this workforce with needed resources, from food to fuel, restaurants to recreation and so much more, spurring even more hiring. Smart developers can leverage these increases in commerce to create opportunities to provide more housing for employees and attract more business to the area. Creating strong local relationships is key here.

Increased Taxes And Other Revenue For Local Governments

It has been reported that building 100 affordable rental homes generates [\\$2.2 million](#) in sales and other taxes, as well as additional local government revenue from tolls, city fees, etc. And as these benefits are accrued to a local municipality, it becomes more likely that cities will support and even help fund more affordable housing.

In our experience in markets like Washington, D.C., or Chicago, once affordable properties gain traction as desirable places for low- to middle-income people to live and raise families, it behooves cities to court more development. Professionals seeking to capitalize on this interest can perform the necessary due diligence, and often partner with a knowledgeable not-for-profit developer to make the process go smoother.

Sometimes the addition of affordable housing can have long-lasting social benefits as well. In this era of [impact](#) and [ESG investing](#), these benefits cannot be undervalued.

For instance, in our foundation's preservation of an affordable housing development in Houston, it was found that the development played a major role in increasing neighborhood security and lowering crime. Following the [renovation](#) of the neglected low-income housing property in an underserved neighborhood, resident quality of life drastically improved with the incorporation of new and enhanced amenities and community spaces that were previously unavailable or poorly maintained. Crime at the property was reduced, allowing residents to finally feel safe and secure in their own homes. These successful efforts to improve conditions at the property convinced city officials to [keep Nathaniel Q. Henderson Elementary School open](#), providing another linchpin in the revitalization of the community.

The bottom line is everyone in the affordable housing equation benefits from its creation and preservation. This includes those

looking for homes they can afford, the local businesses that serve them, and the investment and development teams that provide the housing that helps keep a community vibrant and prosperous.

Forbes Real Estate Council is an invitation-only community for executives in the real estate industry. ***Do I qualify?***



Richard Burns

CEO of [The NHP Foundation](#), not-for-profit provider of affordable housing.
Read Richard Burns' full executive profile [here](#).

[Editorial Standards](#)

[Reprints & Permissions](#)

ADVERTISEMENT
