UNIFORM TAX EXEMPTION POLICY

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Section I. Purpose

The New York Industrial Development Agency Reform Act of 1993 (Chapters 356 and 357 of the Laws of 1993) created a new General Municipal Law Section 874 (4) that requires an Agency to establish a uniform tax exemption policy (UTEP). This written policy shall provide guidelines for the claiming of real property, mortgage recording, and sales and use tax exemptions. The Agency may grant enhanced benefits on a case by case basis for a project expected to have significant economic impact on Onondaga County as determined by the Agency members.

Section II. Real Property Tax Abatements

A. General Policy. The Onondaga County Industrial Development Agency (the "Agency") maintains a policy for the provision of real property tax abatements for qualified projects. This policy requires the Agency and the project owner or occupant to enter into a payment in lieu of taxes (PILOT) agreement, which provides for payments in lieu of taxes to the taxing jurisdictions generally in an amount less than what the real property taxes would be if Agency involvement did not cause the project to be tax exempt. The Agency's standard policy is to provide for a graduated abatement to county, municipal and school taxes. Such abatement will normally reflect the terms of Section II-E of this policy. For Projects providing significant and substantial economic and community benefit to the county, as determined by the Agency, the Agency, at its sole discretion, may elect to provide up to 100% abatement for a period not to exceed 20 years.

The Agency will not consider projects located on sites or facilities located on tax delinquent properties unless a tax payment plan is in effect between the property owner and the relative tax jurisdiction.

B. Valuation of Project. The value of the project for payment in lieu of taxes purposes is determined solely by the Agency and such valuation is provided to the applicant. The base assessment on the property shall be either the base assessment currently on the subject property or the amount that the buyer paid for the property in an arm's length transaction.

C. PILOT. Payments in lieu of taxes shall be described in detail in a written PILOT Agreement between the Agency and the Project owner/sponsor. Project occupants shall pay to the Agency, or its designee, the amount calculated pursuant to the applicable PILOT Agreement according to a schedule determined by the Agency. Payments shall be allocated among the affected taxing jurisdictions according to the amount of real property taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involvement in the project. Variations in the proportions shall only be done with the consent of the all affected taxing jurisdictions. The approved agreement shall take effect during the tax year immediately following the taxable status date after the agency acquires an interest in the project.

D. Special Assessments and Levies. No project shall be exempt from special assessments and special ad valorem levies lawfully levied and/or assessed against the facility premises.

E. Exemptions. The Agency may grant benefits and enter into an agreement for benefits on a case-by-case basis for projects expected to have a significant importance to the local economy. The Agency will require PILOT payments equivalent to the taxes that would be owed by the applicant if the applicant owned the project and not the Agency (i.e., the percentage of the tax exemption would be zero), or PILOT payments consistent with written agreements with the Agency as described in Section II-E or Section III of this UTEP. PILOT payments generally are fixed payments based upon the Agency determined value of the project and other factors, including, but not limited to, any increase in the tax rate as determined by the Agency on a project by project basis. The following exemptions shall be applicable to the Agency PILOT agreements:

1. Basic PILOT Agreement. A PILOT Agreement available to (1) net-wealth generating projects operating within Onondaga County.

A net wealth generating facility must be engaged in one of the following to be eligible for a Basic PILOT Agreement: manufacturing, processing, remanufacturing, assembly, warehousing, back office, wholesale, distribution, product research & development, professional/scientific/technical services, tourism, commercial housing, a corporate national or regional headquarters and other uses at the discretion of the Agency.

The following exemption percentages for the Basic PILOT shall apply:

Basic	
Year	Exemption %
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

2. Community Benefit Incentive PILOT. The Community Benefit Incentive offers a more generous PILOT schedule to a project that otherwise qualifies for a Basic PILOT Agreement and meets one of the following thresholds:

a. Brownfield. Project is to be constructed on a New York State or federal defined brownfield, such as a site designated as a federal or state Superfund site; a participant in the State Voluntary Cleanup Program; a former, verified Manufacturing Gas Plant, or within a Brownfield Opportunity Area.

b. Adaptive Reuse. The real property tax exemption for renovated buildings is applicable to and based on the value added by the adaptive reuse to the qualifying facility, as determined by the Agency. The criteria for "adaptive reuse" is based on the following:
- the age of the structure
- the structure presents a significant structural challenge to redevelopment or presents a significant public safety hazard, as determined by the Agency,
- the structure has been vacant or underutilized for a minimum of 2 years prior to application to the Agency,

- the net increase in the facility's assessed value after project completion exceeds 30 percent,
- the project demonstrates a financial obstacle to development without OCIDA's assistance
- the project is listed on the New York State or the National Register of Historic Places
- the site or structure is presently delinquent in property tax payments

c. LEED Certified. Project has received a Gold or Platinum LEED Certification from the US Green Building Council. PILOT Exemptions for LEED Certified Building will begin after the building receives LEED certification by the US Green Building Council.

To accommodate the LEED Certification Commissioning Process without penalizing a Project, a Project seeking LEED Certification may receive a Basic PILOT schedule for up to 2 years after the project is completed and be transitioned for the remaining period to the Community Benefit PILOT Schedule upon receiving LEED Certification. If the Project has not received LEED Certification within the 2-year period, the Basic PILOT structure will remain in effect for an additional 8 years.

For companies qualifying for a Basic PILOT ***and*** achieving one of the above stated Community Benefits, the following Community Benefit Schedule shall apply:

Community Benefit	
Year	Exemption %
1	100%
2	100%
3	100%
4	90%
5	80%
6	70%
7	60%
8	50%
9	40%
10	30%
11	20%
12	10%

d. Tax Jurisdictions Consent PILOT Agreement. A Tax Jurisdictions Consent PILOT Agreement applies to a Project where the affected town, village (if any), and school district consent to a proposed abatement by resolution of the governing body of each affected tax jurisdiction.

Section III. PILOT Deviations

A. PILOT Deviations. The Agency may deviate, on a case by case basis, from the Agency policies described above.

B. Notification of Taxing Jurisdictions. Any deviations from policy shall require a written notification by the Agency to the chief executive officer of each taxing jurisdiction at least 30 days in advance of the meeting at which the proposed deviation will be considered.

C. Technical Assistance Group. The Agency will request comment on the terms of any proposed deviated PILOT from the Technical Assistance Group, prior to Agency final consideration of the PILOT agreement.

D. Members. The Technical Assistance Group members shall include the Onondaga County Chief Fiscal Officer, Director of Real Property Tax Services, Director of Economic Development, and Deputy County Executive; the Chair of the Onondaga County Legislative Planning and Economic Development Committee; the Executive Director of the Onondaga County Industrial Development Agency and two members of the Agency.

Section IV. Sales Tax Exemptions

Sales Tax Exemption. The Agency's policy is to grant exemption of state and local sales and use taxes for all Projects to the full extent permitted by the State of New York.

A. Construction Materials, Equipment & Furnishings. Purchases of construction materials & equipment and of project related equipment & furnishings are fully exempt from local and New York state sales and use taxes until the project is completed, i.e. certificate of occupancy.

B. Operating and Maintenance Expenses. Operating and maintenance expenses incurred by an Agent of the Agency for a Project of the Agency are not exempt from local and New York state sales and use tax.

C. Exempt Certificate. The Agency will issue a certificate of exemption, which shall be valid for the specified period of time stated in the certificate, as determined by the Agency. The certificate of exemption may be renewed subject to any restrictions and/or requirements imposed by the Agency or the State of New York upon such renewal.

Section V. Mortgage Recording Tax Exemptions

The Agency's policy is to grant exemption from the mortgage recording tax to all projects to the full extent of the law.

Section VI. Recapture of Agency Benefits

A. Information to be Provided by Companies. The Companies that receive benefits from OCIDA agree, whenever requested by the agency, to provide and certify or cause to be certified such information concerning the Company, its finances and other topics as the Agency from time to time reasonably considers necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation. The Company also agrees to provide and certify information concerning its finances and other topics as the agency considers appropriate. This is primarily done through an annual survey.

B. Recapture of Benefits. It is the policy of the Agency recapture the value of Payment in lieu of taxes, State and County Sales Tax and Mortgage Recording Tax Exemptions in accordance with the provisions contained herein and the Laws of the State of New York. Before receiving benefits, projects of the Agency must attest in writing to their understanding of and agreement to the Recapture Provisions of the Agency Uniform Tax Exemption Policy. The recapture provision contained herein may be modified from time to time by the Board at its sole discretion.

C. Recapture of a PILOT, Sales Tax and the Mortgage Recording Tax Exemptions**.** In the event the facility is sold or closed, or the number of jobs is reduced below 75% of the number employed or projected to be employed at time of application to the Agency or there are material violations of the project agreements and no substantial future economic benefit is likely to accrue to the community, then the value of the Property Tax, Sales tax and the Mortgage Recording Tax benefits extended to the project by the Agency shall be subject to recapture.

1. Recapture Payment. The Recapture payment paid by the Project to the Agency shall be determined (1) by the difference between any PILOT payments made by the Project and the property taxes that would be paid by the Project, if the property were not in the ownership or control of the Agency, (2) the value of any Mortgage Recording Tax Exemption, if awarded to the Project and (3) the amount of sales tax that would have been paid if an exemption was not granted.

2. Recapture of the PILOT, Sales Tax or Mortgage Recording Tax: The Recapture Schedule for a Payment in Lieu of Taxes Agreement, Sales Tax or the Mortgage Recording Tax is as follows:

Within two (2) years of Certificate of Occupancy	100%
Within three (3) years:	80%
Within four (4) years:	60%
Within five (5) years:	40%
Within six (6) years:	30%
Within seven (7) years:	20%
Within eight (8) years:	10%
Eight years or more:	0%

3. Distribution of the Recapture Payment. Any funds recaptured as the result of an Agreement with the Agency shall be distributed to the affected taxing jurisdictions in the same proportion as if the payments were paid or owed by the Project on the date of recapture.

D. Additional Conditions for the Recapture of Sales and Use Tax. As of April 1, 2013, New York State law requires Industrial Development Agencies to recapture sales tax benefits where:

- A Project is not entitled to receive the benefits
- Exemptions received exceed the amount authorized by the Agency
- Exemptions are claimed by the Project for unauthorized property or services
- A Project fails to use property in the manner required by its IDA agreements

1. Distribution of Sales Tax. Project operators must cooperate with the Agency in its effort to recapture all sales tax benefits received by the company by promptly paying the recapture amount as determined by the Agency. The amount to be recaptured will be dictated by NYS Law or IDA Policy which ever may be applicable. The Agency must remit the recaptured sales tax benefits to the State of New York within 30 days of receipt.

2. Compliance Report. Annually, the Agency will file an annual compliance report with the State of New York detailing its recapture terms and its activities to recapture benefits, including the any attempt to recapture benefits from an Agency project.

Section VII. Amendment or Modification

The Agency, by resolution of a majority of its members, and upon at least a ten (10) day notice to the taxing jurisdictions, may amend or modify the foregoing policy, as it may, from time to time determine, and in accordance to the Laws of the State of New York.

Section VIII. Project Evaluation and Selection Policy

Section 859-a(5) of the GML requires IDAs to adopt, by resolution of the Board uniform project evaluation and selection criteria. This criteria is used to determine whether the IDA should grant financial assistance to an applicant. As such, the Onondaga County IDA has adopted this Evaluation and Selection Policy in accordance with the applicable rules and laws.

1. Prior to approval for financial assistance by the agency the following actions must occur:

a. The applicant must provide a complete application to the IDA.

b. The IDA must assess all of the information received in connection with the application, as necessary to afford a reasonable basis for the decision to provide assistance.

c. The agency must prepare a written cost benefit analysis identifying the following:

1. The potential creation or retention of permanent private sector jobs, their salaries and benefit packages;

2. The estimated value of tax exemptions;

3. The amount of private sector investment likely to be generated by this project;

4. The extent to which the project will provide additional sources of revenue for municipalities and school districts; and

5. Any other public benefit that might occur due to the project.

d. The IDA must receive a statement by the applicant that as of the date of the application, the project is in substantial compliance with all provisions of the GML, included but not limited to Section 862.

e. If the project would involve the removal or abandonment of a facility or facilities within the State of New York, the IDA must notify the chief executive officers of such affected municipality or municipalities.

2. Additional Project selection for Apartment Housing

Based on the need in our community for affordable housing for the workforce, the Agency may, in its sole discretion, choose to grant real property, mortgage recording and sales and use tax exemptions to apartment style housing projects. In addition to the requirements listed in the general evaluation and selection policies, the Agency shall require additional selection criteria when contemplating providing benefits to apartment style housing projects. The additional criteria to be considered by the agency when providing benefits to this type of project includes, but is not limited to:

1. Is the project being built in a blighted area?

2. Is the housing fulfilling an unmet need in the area?

3. Is there a market study documenting demand for such housing?

4. Is there support from local officials?

5. Is the project considered needed infill in an already populated area?

6. Does the project provide walkability to village centers?

7. Is any additional County provided infrastructure necessary to service the project?