

**RESOLUTION  
(3101-19-03A)**

A regular meeting of the Onondaga County Industrial Development Agency (the “Agency”) convened in public session on December 14, 2023, at 8:30 a.m., local time at 335 Montgomery Street, 2<sup>nd</sup> Floor Syracuse, New York.

The meeting was called to order by the (Vice) Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

**PRESENT:** Patrick Hogan  
Janice Herzog  
Susan Stanczyk  
Kevin Ryan  
Fanny Villarreal  
Cydney Johnson  
Elizabeth Dreyfuss

**ABSENT:**

**ALSO PRESENT:** Robert M. Petrovich, Executive Director  
Jeffrey W. Davis, Esq., Agency Counsel  
Amanda M. Fitzgerald, Esq., Agency Counsel

The following resolution was offered by Elizabeth Dreyfuss, seconded by Janice Herzog, to wit:

**RESOLUTION DETERMINING NO RECAPTURE,  
AUTHORIZING EXECUTION AND DELIVERY OF AN  
AMENDMENT TO PROJECT AGREEMENT IN CONNECTION  
WITH A CERTAIN PROJECT FOR FLEX-HOSE COMPANY, INC.  
AND FHC PROPERTIES, LLC AND TAKING RELATED ACTIONS  
IN CONNECTION THEREWITH.**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”), Chapter 435 of the Laws of 1970 of the State of New York and Chapter 676 of the Laws of 1975 of the State of New York, as amended, constituting Section 895 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on September 3, 2019, FHC Properties, LLC (the “Company”), on behalf of itself and entities formed or to be formed on its behalf, including, but not limited to, Flex-Hose Company, Inc. (the “Sublessee”), presented an application (the “Application”), to the Agency, a copy of which Application is on file at the office of the Agency, which Application requests that the Agency consider undertaking a project (the “Project”) for the benefit of the Company and/or entities formed or to be formed on its behalf, said Project consisting of the following: (A)(1) the acquisition of an interest in approximately 11.13 acre parcel of land located at 4560 Buckley Road (tax map no. 095.-02-06.0) in the Town of Clay, Onondaga County, New York (the “Land”) and the approximately 38,000 square foot existing building thereon (the “Facility”); (2) the renovation of the Facility; (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Facility Equipment”) (the Land, the Facility and the Facility Equipment being collectively referred to as the “Company Project Facility”), and (4) the acquisition and installation of certain equipment and personal property (the “Equipment” and together with the Company Project Facility, the “Project Facility”), such Project Facility to be used as manufacturing and office space to support the production and storage of the Company’s products which include metal pump connectors, industrial metal hoses, expansion loops and metal expansion joints; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (subject to certain statutory limitations) (collectively, the “Financial Assistance”); and (C) (1) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and (2) and the lease (with an obligation to purchase) or sale of the Equipment to the Sublessee or such other person as may be designated by the Sublessee and agreed upon by the Agency; and

WHEREAS, by resolution duly adopted by the members of the Agency on June 11, 2019 (the “Resolution”), the Agency has conferred on the Company and the Sublessee in connection with the Project certain financial assistance consisting of: (a) an exemption from New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction, reconstruction or equipping of the Project Facility; (b) an exemption from mortgage recording tax; and (c) an exemption from real property taxes (collectively, the sales and use tax exemption benefit, the mortgage recording tax benefit, and the real property tax benefit are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, in connection with the Project and the granting of the Financial Assistance, the Agency entered into the following documents: (A) an underlying lease to agency, dated as of October 1, 2019 by and between the Company and the Agency, pursuant to which, among other things, the Agency acquired a leasehold interest in the Land and the improvements now or hereafter located on the Land from the Company, (B) a memorandum of underlying lease dated as of October 1, 2019, (C) a lease agreement dated as of October 1, 2019 by and between the Agency

and the Company, pursuant to which, among other things, the Company agreed to undertake and complete the Project as agent of the Agency and the Company further agreed to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project, (D) a memorandum of lease agreement dated as of October 1, 2019, (E) a Project Agreement dated as of October 1, 2019 (the "Project Agreement"), which sets forth the terms and conditions under which Financial Assistance was to be provided to the Company, and (F) a payment in lieu of tax agreement dated as of October 1, 2019 by and between the Agency and the Company whereby the Company agreed to make certain payments in lieu of real property taxes; and

WHEREAS, pursuant to the Project Agreement, (i) the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in an amount up to \$250,000, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed \$20,000, (ii) the mortgage recording tax exemption amount shall be provided to a mortgage or mortgages in a total amount not to exceed \$1,700,000 and, therefore the value of the mortgage recording tax exemption benefits offered was not to exceed \$12,750, and (iii) the real property tax exemption amount shall be provided through a payment in lieu of tax agreement with a net exemption amount not to exceed \$307,195; and

WHEREAS, pursuant to the Project Agreement, the Company and the Sublessee must (i) employ at least fifty-one (51) full time employees ("FTE") within one year after the completion date of the Project Facility; (ii) employ at least sixty- three (63) FTEs within two years after the completion date of the Project Facility, (iii) employ at least sixty-nine (69) FTEs within three years after the completion date of the Project Facility (iv) employ at least seventy-three (73) FTEs within four years after the completion date of the Project Facility and (v) employ at least eighty-two (82) FTEs within five years after the completion date of the Project Facility (collectively the "Employment Commitment"); and

WHEREAS, as of December 2023, three years after the completion date of the Project Facility, the Company and the Sublessee, employ thirty-two (32) FTEs and anticipate creating five (5) FTEs in the next two (2) years; and

WHEREAS, the Project Agreement includes procedures for evaluating potential of recapture of Financial Assistance as required by the Act and the Agency's Uniform Tax Exemption Policy; and

WHEREAS, the Project Agreement provides that, *inter alia*, the Agency shall evaluate at any time information is brought to the Agency's attention as to whether the Company and/or the Sublessee have failed to maintain its Employment Commitment, such failure to maintain its Employment Commitment being a "Noncompliance Event" under the Project Agreement; and

WHEREAS, the Project Agreement provides that at the time of any Noncompliance Event, the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance, and shall consider the following criteria in determining whether to proceed to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance (collectively, the "Factors"):

- Whether the Company and/or the Sublessee have proceeded in good faith.
- Whether the Project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the Company and/or the Sublessee.
- Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create a more adverse situation for the Company and/or the Sublessee, such as the Company and/or the Sublessee going out of business or declaring bankruptcy, which would not occur if the Agency's rights were not exercised.
- Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create an adverse situation for the residents of the County of Onondaga.
- The assessment prepared in accordance with the Agency's Annual Assessment Policy.
- Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance.

WHEREAS, the Project Agreement provides that if the Company and the Sublessee fail to reach their Employment Commitment, the Agency has the right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance in accordance with the Project Agreement; and

WHEREAS, Agency staff has evaluated relevant information received from the Company and the Sublessee through both letter correspondence and in-person interviews including the following:

- (a) the purchase and move to the Project Facility by Company and the Sublessee which included the transition from two 9,000 square foot buildings to one 38,000 square feet building allowed the Sublessee to reorganize production processes and significantly improved its production layout and flow resulting in an over forty-seven percent (47%) increase to manufacturing and output efficiencies;
- (b) increased efficiencies limited the Company's and the Sublessee's need to hire new FTE employees until sales volume surpassed their newly heightened production capacity;

- (c) the COVID-19 pandemic occurred four months after the Company's and the Sublessee's relocation to the Project Facility and caused (i) a downturn in business, and (ii) a seventy percent (70%) reduction of applicants responding to posted job positions;
- (d) The Company and the Sublessee intend to: (1) maintain all of their current employees, (2) partner with local companies such as Boards of Cooperative Education Services and Haun Welding Supply and Specialty Gases to sponsor job shadowing, (3) improve workforce development paths through apprenticeship programs offered through their Manufacturers Association of Central New York membership, and (4) fund and launch on-site training for skilled trades to increase interest in the Sublessee's industry and subsequently hire manufacturing employees; and

WHEREAS, the members of the Agency have evaluated the Factors;

WHEREAS, Agency counsel has drafted an amendment to the Project Agreement (the "Amendment"), which Amendment, upon execution and delivery by the Agency, the Company and the Sublessee will revise the Employment Commitment to revise the Employment Commitment in light of the Factors; and

WHEREAS, the Agency desires to consent to the execution and delivery of the Amendment; and

WHEREAS, pursuant to the Act and 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 collectively with the SEQR Act, "SEQRA"), the Project has been subject to an environmental review pursuant to SEQR resulting in the issuance of a Negative Declaration by the Agency by resolution adopted June 11, 2019; and

WHEREAS, pursuant to SEQRA, the Agency must determine the potential environmental significance of the execution and delivery of the Amendment;

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

Section 1. Based upon reviewing of the Factors and the representations made by the Company and the Sublessee to the Agency, the Agency makes the following findings and determinations:

- (A) The Project constitutes a "project" within the meaning of the Act; and
- (B) The Agency waives its right to recapture all or any portion of the Financial Assistance; and

(C) The execution and delivery of the Amendment does not constitute a significant change from the original Project that was reviewed under SEQRA and therefore no further or additional review under SEQRA is required; and

(D) The execution and delivery of the Amendment is not a material change and does not require a change in the Financial Assistance previously approved by the Agency.

Section 2. The Agency hereby approves the execution and delivery of the Amendment and determines to execute and deliver the Amendment and any other documents and certificates required in connection therewith (collectively, the “Amendment Documents”).

Section 3. The Amendment Documents shall (A) be executed, issued and delivered at such time as the Chairperson (or Vice Chairperson) or the Executive Director of the Agency, with the assistance of Agency Counsel, shall determine, and (B) be in such form as hereinafter approved by the Chairperson (or Vice Chairperson) or the Executive Director of the Agency in accordance with Section 4 hereof.

Section 4. The Chairperson (or Vice Chairperson) and the Executive Director of the Agency are each hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Amendment Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the Chairperson (or Vice Chairperson) or the Executive Director of the Agency, with the assistance of Agency Counsel, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Amendment Documents binding upon the Agency.

Section 5. The Chairperson, (or Vice Chairperson) or the Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and the Sublessee and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 6. This Resolution shall take effect immediately.

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

	<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Patrick Hogan	X		
Janice Herzog	X		
Cydney Johnson	X		
Elizabeth Dreyfuss	X		
Susan Stanczyk	X		
Kevin Ryan	X		
Fanny Villarreal	X		

The Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the Onondaga County Industrial Development Agency, DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 14, 2023, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matter therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting, (B) said meeting was in all respects duly held, (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law, and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand this 15 day of December, 2023.

(SEAL)

*Burt Hanc Byles*  
Secretary