

FINAL RESOLUTION
(Paco Palace LLC Project)

A regular meeting of the Yates County Industrial Development Agency was convened on Wednesday, February 16, 2022.

The following resolution was duly offered by Dr. K. Pinkey and seconded by Tim Cutler, to wit:

Resolution No. 02/2022 - _____

RESOLUTION OF THE YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACKNOWLEDGING THE PUBLIC HEARING HELD BY THE AGENCY ON JANUARY 18, 2022, WITH RESPECT TO THE PACO PALACE LLC PROJECT (AS DESCRIBED BELOW); (ii) MAKING A DETERMINATION WITH RESPECT TO THE PROJECT PURSUANT TO SEQRA; (iii) APPOINTING PACO PALACE LLC AS AGENT OF THE AGENCY; (iv) AUTHORIZING FINANCIAL ASSISTANCE TO PACO PALACE LLC IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED THROUGH A TAX AGREEMENT AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCINGS UNDERTAKEN TO CONSTRUCT THE FACILITY (AS DEFINED HEREIN); AND (v) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE PROJECT.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Chapter 113 of the Laws of 1975 of the State of New York, as amended (hereinafter collectively called the "Act"), the **YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **PACO PALACE LLC**, for itself and/or on behalf of an entity or entities to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in certain real property located at 211 Hall Road, Town of Milo, Yates County, New York (the "Land", being more particularly described as tax parcel Nos. 88.04-1-4.1 and 88.04-1-6.31) and the existing improvements located thereon (the "Existing Improvements"); (B)(1) the planning, design, reconstruction, rehabilitation and renovation of certain upgrades to the Existing Improvements to

accommodate a wine tasting room, wedding and event center and (2) the planning, design and construction multi-purpose education and tech incubation facility (collectively, the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the Act the Agency desires to adopt a resolution approving the Project and the Financial Assistance (as defined below) that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as agent of the Agency for the purpose of undertaking the Project pursuant to a project agreement (the "Project Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement"), a tax agreement (the "Tax Agreement") and related documents with the Company, (iii) take or retain title to or a leasehold interest in the Land, Improvements, Equipment and personal property constituting the Project (once the Lease Agreement, the Leaseback Agreement and the Tax Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement structured through the Tax Agreement, and (c) a mortgage recording tax exemption for financings undertaken to construct the Facility (collectively, the "Financial Assistance"); and

WHEREAS, on November 17, 2021, the Agency adopted a resolution (the "Initial Resolution") accepting the Application and directing that a public hearing be held; and

WHEREAS, pursuant to Section 859-a of the Act, on Tuesday, January 18, 2022, at 9:00 a.m., local time, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing"), whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; a copy of the Notice of Public Hearing posted on the Agency's website, a certificate attesting to the posting of the Notice of Public Hearing on the Agency's website and Minutes of the Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, the Agency has received from the Company a Short Environmental Assessment Form ("SEAF") for the Project, and further declared itself Lead Agency, determined the Project to be an Unlisted Action as defined pursuant to 6 N.Y.C.R.R. § 617.2(al) of the SEQRA regulations, and conducted an uncoordinated review of the Project pursuant to SEQRA; and

WHEREAS, the Company has represented to the Agency that the Project is likely to attract a significant number of visitors from outside the economic development region (as established by Section 230 of the New York State Economic Development Law), and therefore the Project constitutes a "tourism destination" as defined in Section 862(2) of the Act; and

WHEREAS, the Project Agreement, the Lease Agreement, the Leaseback Agreement, the Tax Agreement and related documents will be negotiated and presented to the Chairman, Vice Chairman or Chief Executive Officer of the Agency for approval and execution subject to the adoption of the resolutions herein.

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

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Yates County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

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

(F) Upon a thorough review and due consideration by the Agency of the SEAF for the Project, the Agency makes the following findings:

(i). The Agency has considered the Project, including identifying the reasonable impacts associated with it, and comparing the same to the parameters and criteria set forth in 6 N.Y.C.R.R. §§ 617.1 and 617.3 of the SEQRA regulations.

(ii). The Agency has classified the Project as an Unlisted Action pursuant to 6 N.Y.C.R.R. § 617.2(al) of the SEQRA regulations.

(iv). The Agency has considered the significance of the potential adverse environmental impacts associated with the Project by: (i) carefully reviewing and examining the responses to the SEAF, including the information in the Parts 1 and 2 of the SEAF, together with examining other available supporting information and documents concerning the Project; ii) carefully reviewing impacts and potential impacts from the Project to land, stormwater and groundwater, wetlands, other water resources, and analyzing any impacts associated with agricultural district designation(s), as well as impacts and potential impacts associated with or to historic, archaeological and other recognized and/or protected resources, and impacts to threatened or endangered plant and animal species, impacts to transportation, including such impacts associated with traffic and considered impacts to community character and cumulative impacts if any, as well as impacts from sites where remedial activities were previously conducted, and considering each of the other potential impacts as required by applicable regulation; (iii) carefully considering the criteria set forth in 6 N.Y.C.R.R. § 617.7(c) in light of such potential impacts; and (iv) thoroughly analyzing the identified areas of relevant environmental concern.

(v). The Agency does not identify any potential significant adverse environmental impact associated with the Project, and based on its review the Agency approves, adopts and incorporates by reference the responses to the SEAF, and therefore issue a Negative Declaration for the Project pursuant to SEQRA.

(G) Based upon the Agency's prior review of the Application submitted by the Company, along with supporting materials, the Project will include facilities or property that are primarily used in making retail sales, as defined within Section 862(2) of the Act, to customers who personally visit the Facility. Notwithstanding the foregoing, and based upon the Application and supporting materials prepared and presented by the Company to the Agency, the Project constitutes a "tourism destination" inasmuch as the Project and Facility will likely attract a significant number of visitors from outside the economic development region (as established by Section 230 of the Economic Development Law) in which the Project is located.

Section 2. The Public Hearing held by the Agency on January 18, 2022, concerning the Project and the Financial Assistance, was duly held in accordance with the Act, including, but not limited to, the giving of at least ten (10) days published notice of the Public Hearing (such notice also being provided to the Chief Executive Officer of each affected tax jurisdiction),

affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 3. The Agency is hereby authorized to provide to the Company the Financial Assistance in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction, reconstruction, renovation and equipping of the Project, (b) a partial real property tax abatement structured through the Tax Agreement, and (c) a mortgage recording tax exemption for financings undertaken to construct the Facility.

Section 4. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to State and local sales and use tax in an amount up to \$1,500,000.00, which result in State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed \$120,000.00. The Agency agrees to consider any requests by the Company for an increase to the amount of Sales and Use Tax Exemption Benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 5. Pursuant to Section 875(3) of the Act, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any Sales and Use Tax Exemption Benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the Sales and Use Tax Exemption Benefits; (ii) the Sales and Use Tax Exemption Benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the Sales and Use Tax Exemption Benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the Sales and Use Tax Exemption Benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving Sales and Use Tax Exemption Benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any Sales and Use Tax Exemption Benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 6. Subject to the Company executing the Project Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, reconstruct, renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in

whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; *provided, however*, the Project Agreement shall expire on **December 31, 2022** (unless extended for good cause by the Chief Executive Officer of the Agency) if the Lease Agreement, the Leaseback Agreement and the Tax Agreement contemplated have not been executed and delivered

Section 7. The Chairman, Vice Chairman or Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to negotiate and enter into (A) the Project Agreement, (B) the Lease Agreement, pursuant to which the Company leases the Project to the Agency, (C) the related Leaseback Agreement, pursuant to which the Agency leases its interest in the Project back to the Company, and (D) the Tax Agreement; *provided, however*, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the Tax Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 8. The Chairman, Vice Chairman or Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to execute, deliver and record any mortgage, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") (collectively, the "Mortgage") up to a maximum principal amount not to exceed **\$2,000,000.00**, to acquire the Facility and/or finance or refinance the Facility or equipment and other personal property and related transactional costs (hereinafter, with the Project Agreement, Lease Agreement, Leaseback Agreement, Tax Agreement and the Mortgage, collectively called the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 9. The Agency is hereby authorized to provide the Company with an exemption from mortgage recording taxes as permitted by New York State law in an amount not to exceed Twenty Thousand and 00/100 Dollars (\$20,000.00).

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such 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 officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 11. These Resolutions shall take effect immediately upon adoption.

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

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Ryan Hallings	[]	[]	[]	[X]
Janice Gaub	[X]	[]	[]	[]
Sirene Garcia	[X]	[]	[]	[]
Dr. Kim Pinkey	[X]	[]	[]	[]
Timothy Cutler	[X]	[]	[]	[]
Amy Storey	[]	[]	[X]	[]
Mary Anne Rogers	[]	[]	[X]	[]

The Resolutions were thereupon duly adopted.

SECRETARY'S CERTIFICATION
(Paco Palace LLC Project)

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

I, the undersigned Secretary of the Yates County Industrial Development Agency, DO HEREBY CERTIFY:


That I have compared the annexed extract of minutes of the meeting of the Yates County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on February 16, 2022, with the original thereof on file in the Agency's office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 16th day of February, 2022.



Secretary

Exhibit A

Notice Letter, Notice of Public Hearing,
of Publication of *The Finger Lakes Times* and Minutes of Public Hearing

[Attached Hereto]



FINGER LAKES

ECONOMIC DEVELOPMENT CENTER
of Yates County

NOTICE LETTER (Notice of Public Hearing – Paco Palace LLC)

January 6, 2021

VIA CERTIFIED MAIL

To: Chief Executive Officers of
Affected Taxing Jurisdiction Listed on Attached Schedule A

Re: Yates County Industrial Development Agency and Paco Palace LLC: Public Hearing

Ladies and Gentlemen:

The Agency is contemplating providing financial assistance (the "Financial Assistance") to the Applicant in the form of (i) an exemption from sales and use taxes, (ii) a partial real property tax abatement to be effectuated through the execution by the Agency and the Company of a payment-in-lieu-of-tax agreement, and (iii) an exemption from mortgage recording taxes as permitted by New York State law.

On January 18, 2022, at 9:00 a.m., local time, at the Town of Milo Meeting Room located at 137 Main Street, Penn Yan, NY in the Town of Milo, Yates County, New York, the Yates County Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project. Enclosed and attached hereto as Exhibit A is a copy of the Notice of Public Hearing describing the project and the financial assistance being contemplated by the Agency. The Notice has been submitted to *The Finger Lakes Times* for publication.

The public hearing is being conducted pursuant to Section 859-a of the General Municipal Law. You are welcome to attend and present your views, both orally and in writing, with respect to the Project. We are providing this notice to you, pursuant to General Municipal Law Section 859-a, as the chief executive officer of an affected tax jurisdiction within which the Project is located.

The Agency will provide additional access to the public hearing by broadcasting the public hearing in real time online at:

<https://www.fingerlakesedc.com/new-events/pacopalacepublichearing>.

Very truly yours,

YATES COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Steve Griffin
CEO

Enclosure

Schedule A

Chief Executive Officers
of Affected Tax Jurisdictions

Via Certified Mail

No. 7021 0350 0000 0869 3529

Winona B. Flynn
Yates County Administrator/Treasurer
417 Liberty Street, Suite 1002
Penn Yan, New York 14527

Via Certified Mail

No. 7021 0350 0000 0869 3512

Yates County Legislature
Attn: Leslie Church, Chairwoman
417 Liberty Street
Penn Yan, New York 14527

Via Certified Mail

No. 7021 0350 0000 0869 3468

Town of Milo
Attn: Leslie Church, Town Supervisor
137 Main Street
Penn Yan, New York 14527

Via Certified Mail

No. 7021 0350 0000 0869 3482

Dundee Central School District
Attn: Robert Neu, President School Board
55 Water Street
Dundee, New York 14837

Via Certified Mail

No. 7021 0350 0000 0869 3475

Dundee Central School District
Attn: Christopher Barnard, Superintendent
55 Water Street
Dundee, New York 14837

Via Certified Mail

No. 7021 0350 0000 0869 3499

Town of Milo
Attn: Patrick Grimaldi, Assessor
137 Main Street
Penn Yan, New York 14527

Via Certified Mail

No. 7021 0350 0000 0869 3505

Dundee Central School
Melissa Lawson, Business Manager
55 Water Street
Dundee, NY 14837

EXHIBIT A

Copy of Notice of Public Hearing

[See Attached]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Yates County Industrial Development Agency (the "Agency") on January 18, 2022 at 9:00 a.m., local time, at Town of Milo Meeting Room located at 137 Main Street, Penn Yan, NY in the Town of Milo, Yates County, New York in connection with the matter described below.

PACO PALACE LLC, for itself and/or on behalf of an entity or entities to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in certain real property located at 211 Hall Road, Town of Milo, Yates County, New York (the "Land", being more particularly described as tax parcel Nos. 88.04-1-4.1 and 88.04-1-6.31) and the existing improvements located thereon (the "Existing Improvements"); (B)(1) the planning, design, reconstruction, rehabilitation and renovation of certain upgrades to the Existing Improvements to accommodate a wine tasting room, wedding and event center and (2) the planning, design and construction multi-purpose education and tech incubation facility (collectively, the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

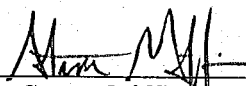
The Agency will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of (i) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (ii) a partial real property tax abatement structured through a payment-in-lieu-of-tax agreement, and (iii) a mortgage recording tax exemption for financing and/or re-financings related to the Project.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's application and hear and accept written and oral comments from all persons with views in favor of, opposed to or otherwise relevant to the proposed Financial Assistance.

The Agency will provide additional access to the public hearing by broadcasting the public hearing in real time online at:
<https://www.fingerlakesedc.com/new-events/pacopalacepublichearing>.

Dated: January 6, 2021

YATES COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Name: Steve Griffin

Title: Chief Executive Officer

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The Agency will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of (i) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (ii) a partial real property tax abatement structured through a payment-in-lieu-of-tax agreement, and (iii) a mortgage recording tax exemption for financing and/or re-financings related to the Project.

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<https://www.fingerlakesedc.com/new-events/pacopalacepublichearing>.

Dated: January 6, 2021

YATES COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Name: Steve Griffin

Title: Chief Executive Officer

Affidavit of Publication

STATE OF STATE OF NEW YORK }
COUNTY OF ONTARIO }

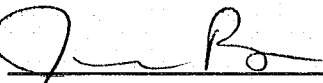
Jacqueline Bruce, being duly sworn, says:

That she is Legal Clerk of the Finger Lakes Times, a daily newspaper of general circulation, printed and published in Geneva, Ontario County, State of New York; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

January 07, 2022

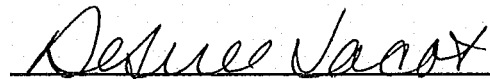
That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Legal Clerk

Subscribed to and sworn to me this 7th day of January 2022.



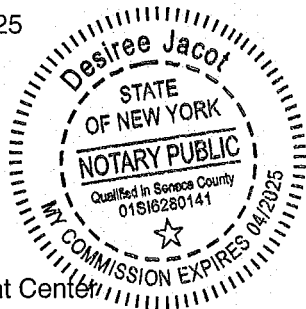
Desiree Jacot, Notary Public, Ontario County, State of New York

My commission expires: April 17, 2025

Notary number: 01S16280141

00022397 00492057

Doreen Jensen
Finger Lakes Economic Development Center
1 Keuka Business Park
PENN YAN, NY 14527



LEGAL NOTICE

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Yates County Industrial Development Agency (the "Agency") on January 18, 2022 at 9:00 a.m., local time, at Town of Milo Meeting Room located at 137 Main Street, Penn Yan, NY in the Town of Milo, Yates County, New York in connection with the matter described below. PACO PALACE LLC, for itself and/or on behalf of an entity or entities to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in certain real property located at 211 Hall Road, Town of Milo, Yates County, New York (the "Land", being more particularly described as tax parcel Nos. 88.04-1-4.1 and 88.04-1-6.31) and the existing improvements located thereon (the "Existing Improvements"); (B)(1) the planning, design, reconstruction, rehabilitation and renovation of certain upgrades to the Existing Improvements to accommodate a wine tasting room, wedding and event center and (2) the planning, design and construction multi-purpose education and tech incubation facility (collectively, the "Improvements"); and (C) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"). The Agency will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of (i) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (ii) a partial real property tax abatement structured through a payment-in-lieu-of-tax agreement, and (iii) a mortgage recording tax exemption for financing and/or re-financings related to the Project. A representative of the Agency will be at the above-stated time and place to present a copy of the Company's application and hear and accept written and oral comments from all persons with views in favor of, opposed to or otherwise relevant to the proposed Financial Assistance. The Agency will provide additional access to the public hearing by broadcasting the public hearing in real time online at:

<https://www.fingerlakesedc.com/new-events/pacopalacepublichearing>.

Dated: January 6, 2021 YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Name: Steve Griffin
Title: Chief Executive Officer
447

Public Hearing – Paco Palace LLC
Tuesday, January 18, 2022 – 9:00 A.M.
Minutes of Proceedings

Attendance: Steve Griffin, CEO, Finger Lakes Economic Development Center, Mike Lipari, Director of Business & Community Development, Finger Lakes Economic Development Center.

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center on behalf of Paco Palace LLC was held in the Town of Milo Meeting Room, 137 Main Street, Penn Yan, Town of Milo, Yates County, New York, on Tuesday, January 18, 2022 at 9:00 A.M.

Mike Lipari, Director of Business and Community Development of the Finger Lakes Economic Development Center called the Public Hearing to order at 9:01 A.M. The public hearing is to take public comments on the proposed incentives being offered to Paco Palace LLC. M. Lipari reported that the Public Hearing was being broadcast via livestream on the FLEDC website. M. Lipari reported due to technical difficulties there was no video for the livestream but audio was available.

The Public Hearing Notice was published in the legal section of the Finger Lakes Times on January 7, 2022. The Notice of Public Hearing was also posted on the bulletin board of the Yates County Courthouse and Town of Milo Bulletin Board on January 6, 2022. Copies of the Notice were mailed to (Town of Milo, Dundee Central School District, and Yates County) on January 6, 2022. The Notice of Public Hearing was also posted to the Finger Lakes Economic Development Center's website on January 6, 2022.

M. Lipari reported that Paco Palace LLC has applied for a standard straight leaseback including property, mortgage, and sales tax exemptions being applied for. This would be a standard 10-year PILOT. Incentives will assist with the construction of a multi-purpose education, tech incubation and event destination in Yates County, located at 211 Hall Road in Himrod. The property will be an extension of the work done by Sweet Farm Foundation in California. The property will have educational events, and outdoor experiences designed to educate the public on the way food choices impact climate change. The organization will also provide space for tech-startups who are incubating new technologies designed to lessen the impact of climate change. The property will also host a wine tasting room and wedding and event center designed to bring people to the property and introduce them to the farm. The total property is 50 acres, with 10-acres being dedicated to organic grape production, another 10 to organic flower and vegetable production. The remaining 30-acres will be transformed into a food forest where people can hike to learn about bee keeping, mushroom foraging and similar topics. An old farm house and barns on the property will be renovated and restored into an event space including the addition of an outdoor patio for weddings, conferences and corporate offsites. The property will be a hub to drive tourism to the area, as well as start-ups looking to build technologies to impact climate change.

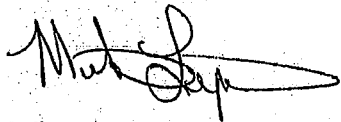
M. Lipari reported the projected total capital investment is \$2,850,000. 20 full-time equivalent positions will be created over the next three years and an additional 13 indirect/induced jobs will be created within Yates County. Total projected incentives are \$243,016 which includes \$103,016 in property tax

abatements, \$120,000 in sales tax savings, and 20,000 in mortgage tax abatements. The total company investment is projected to be \$17,187,407 and is calculated by combining the total PILOT payments made, wages paid, and total project cost over the 10-year PILOT term. Total community investment is the total proposed incentives of \$243,016. This results in a 70:1 community impact to community investment ratio.

M. Lipari opened the public hearing for comments.

There being no comments, M. Lipari closed the public hearing at 9:26 A.M.

Submitted by:

A handwritten signature in black ink, appearing to read "Mike Lipari", with a long horizontal flourish extending to the right.

Mike Lipari
Director of Business and Community Development
FLEDC

Exhibit B

Negative Declaration of Planning Board

[Attached Hereto]

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			
Name of Action or Project: <i>Sweet Farm Winery, Event Center, + Regenerative Farm</i>			
Project Location (describe, and attach a location map): <i>211 Hall Rd, Himrod, NY 14842</i>			
Brief Description of Proposed Action: <i>The property will restore the historic Four Chimneys winery and turn into a tasting room + event center. This will be completed by a regenerative flower and vegetable farm that renews + revitalizes the land. Across the street from the house = winery will be the home of Sweet Farm, a 501c3 nonprofit focused on climate education. Agriculture work will take place on acreage historically used for this purpose</i>			
Name of Applicant or Sponsor: <i>Anna Sweet</i>		Telephone: <i>206-406-7242</i>	
		E-Mail: <i>anna@sweetfarm.org</i>	
Address: <i>2893 W. Lake Rd</i>			
City/PO: <i>Penn Yan</i>		State: <i>NY</i>	Zip Code: <i>14527</i>
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation?		NO	YES
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.		<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency?		NO	YES
If Yes, list agency(s) name and permit or approval:		<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action?		<i>50</i> acres	
b. Total acreage to be physically disturbed?		<i>0</i> acres	
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?		<i>50</i> acres	
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input checked="" type="checkbox"/> Forest <input checked="" type="checkbox"/> Agriculture <input checked="" type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO	YES	N/A
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<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	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input 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	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: <u>A new well is to be drilled</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: <u>Engineered septic system</u>	NO	YES	
	<input checked="" type="checkbox"/>	<input 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? 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?	NO	YES	
	<input type="checkbox"/>	<input checked="" 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? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____	NO	YES	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:

Shoreline Forest Agricultural/grasslands Early mid-successional

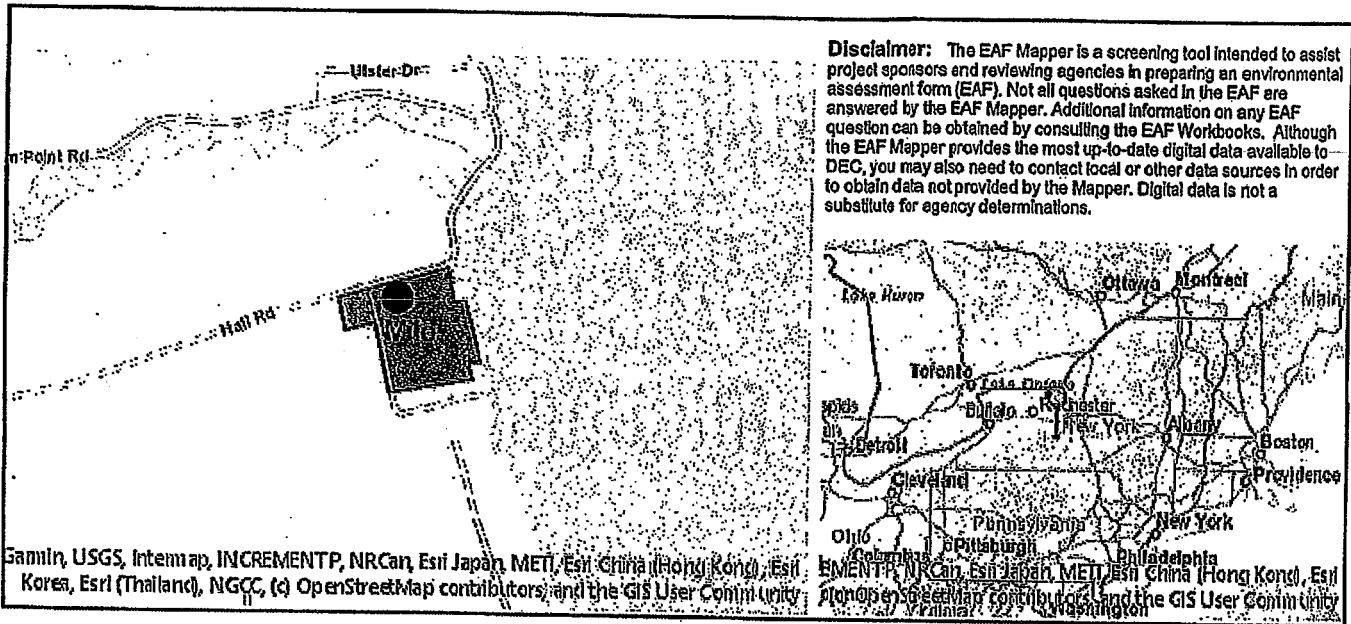
Wetland Urban Suburban

15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,	NO	YES
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a. Will storm water discharges flow to adjacent properties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Barns will discharge runoff to pre-existing adjacent runoff ditches.</i>		
<i>Runoff sources are predominantly from roofs as we will prioritize ground uptake.</i>		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment:	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe:	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe:	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor/name: Anna Sweet Date: 1-17-2022

Signature: [Signature] Title: Owner



Part 1 / Question 7 [Critical Environmental Area]	No
Part 1 / Question 12a [National or State Register of Historic Places or State Eligible Sites]	Yes
Part 1 / Question 12b [Archeological Sites]	No
Part 1 / Question 13a [Wetlands or Other Regulated Waterbodies]	Yes - Digital mapping information on local and federal wetlands and waterbodies is known to be incomplete. Refer to EAF Workbook.
Part 1 / Question 15 [Threatened or Endangered Animal]	No
Part 1 / Question 16 [100 Year Flood Plain]	Digital mapping data are not available or are incomplete. Refer to EAF Workbook.
Part 1 / Question 20 [Remediation Site]	No

Project:
 Date:

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.	
<input type="checkbox"/> Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.	
Yates County Industrial Development Agency DBA Finger Lakes Economic Development Center	2/16/2022
Name of Lead Agency	Date
Stephen Griffin	CEO
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

Project:

Date:

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:		
a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>