

**COMMERCIAL/RETAIL FINDINGS RESOLUTION
KEUKA GARDENS, LLC PROJECT**

A regular meeting of Yates County Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at One Keuka Business Park in Penn Yan, Yates County, New York on March 15, 2017 at 7:30 o'clock a.m., local time.

The meeting was called to order by the Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Gene Pierce	Chairman
Mark Morris	Assistant Secretary/Treasurer
James Willson	Treasurer
Rita Gow	Member
Dr. Kim Williams	Member

ABSENT:

Jerry Hiller	Vice Chairman
Mary Ann Zelazny	Secretary

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Steve Griffin	Chief Executive Officer
Doreen Jensen	Chief Financial Officer

The following resolution was offered by Rita Gow, seconded by Ki, Williams, to wit:

Resolution No. 0317 - ____

RESOLUTION (A) DETERMINING THAT THE PROPOSED AT KEUKA GARDENS, LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.

WHEREAS, Yates County Industrial Development Agency (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") and Chapter 113 of the 1975 Laws of New York, as amended, constituting Section 893-b 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 commercial 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 and install one or more " projects" (as defined in the Act) or to cause said projects to be

acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in October, 2016, Keuka Gardens, LLC, a New York limited liability company to be formed (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a 2.5 acre parcel of land located at 199 Brown Street Extension (Tax Map # 61.35-1-17) in the Town of Milo, Village of Penn Yan, Yates County, New York (the "Land"), (2) the construction of a new facility to contain approximately 42 unit mixed income apartments (the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company and to constitute a commercial residential facility to be leased to various residential tenants and other directly and indirectly related activities; (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 property transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) 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

WHEREAS, by resolution adopted by the members of the Agency on October 26, 2016 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on November 7, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on November 7, 2016 on public bulletin boards located at (1) the Yates County Courthouse located at 415 Liberty Street in the Village of Penn Yan, Yates County, New York, (2) the Town of Milo Offices located at 137 Main Street in the Town of Milo, Yates County, New York and (3) 111 Elm Street in the Town of Milo, Village of Penn Yan, Yates County, New York, (C) caused notice of the Public Hearing to be published on November 9, 2016 in The Chronicle-Express, a newspaper of general circulation available to the residents of Town of Milo, Village of Penn Yan, Yates County, New York, (D) conducted the Public Hearing on November 30, 2016 at 7:00 a.m., local time at the Village of Penn Yan Board Room located at 111 Elm Street in the Town of Milo, Village of Penn Yan, Yates County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, 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 (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on March 15, 2017 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the Village of Penn Yan Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board dated January 12, 2017 (the "Negative Declaration"), in which the Planning Board determined that the Project to be an Unlisted Action and will not have a "significant environmental impact on the environment" and accordingly, that an environmental

impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in Opinion of the State Comptroller Number 85-51, the State Comptroller indicated that the determination whether a project that consists of the construction of an apartment house is a commercial activity within the meaning of the Act is to be made by local officials based upon all of the facts relevant to the proposed project, and that any such determination should take into account the stated purpose of the Act, that is, the promotion of employment opportunities and the prevention of economic deterioration; and

WHEREAS, to aid the Agency in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Agency has reviewed the following (collectively, the "Project Qualification Documents"): (A) the Application, including the attached Cost Benefit Analysis, (B) a limited scope market study dated June 30, 2016 prepared by GAR Associates LLC (the "Market Study") and (C) a draft Village of Penn Yan 2016 comprehensive plan amended in December, 2016 (the "2016 Plan"); and

WHEREAS, the Agency has given due consideration to the Project Qualification Documents, and to representations by the Company that although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the predominant purpose of the Project would be to make available services which would not, but for the Project be reasonably accessible to the residents of the Yates County because of lack of reasonably accessible trade facilities offering such services; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Agency would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Agency to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Agency that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Chairman of the Yates County Legislature of the proposed action by the Agency with respect to the Project; and

WHEREAS, having complied with the requirements of SEQRA and Section 859-a of the Act with respect to the Project, the Agency now desires, pursuant to Section 862(2)(c) of the Act, to make its final findings with respect to the Project and its final determination whether to proceed with the Project;

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

Section 1. Based upon an examination of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

A. The Project is located in an area having a mixture of residential, not-for-profit, commercial, retail, and service uses.

B. The 2016 Plan makes the following comments/findings regarding housing in Yates County:

- Increase job opportunities for all residents.

- The Village of Penn Yan is an extremely walkable environment for its residents and visitors.
- There is a shortage of low-income and middle-income housing in the Village.
- The shortage of housing and the condition of the existing housing is a barrier to attracting new families and young professionals.
- The lack of availability of reasonably pricing housing for seniors is a burden to seniors that are seeking to age-in-place.
- The quality and quantity of housing stock in the community impacts the ability of local employers to recruit skilled labor into the community.
- Provide a variety of housing types to meet the varied needs of Yates County's households, including high, market, moderate and low income housing.
- Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.

C. That undertaking the Project is consistent with the 2016 Plan and will assist and maintain current and future residential and commercial development and expansion in the neighborhood area.

D. The Company has informed representatives of the Agency that the Project is expected to create approximately 3 full time permanent, private sector jobs and approximately 150 construction jobs.

E. The Company informed representatives of the Agency that the Company is not aware of any adverse employment impact caused by the undertaking of the Project.

F. That the acquisition, construction and installation of the Project Facility is essential to the retention of existing employment and the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in Yates County.

G. That the Project constitutes a "commercial" project, within the meaning of the Act.

H. That the undertaking of the Project will serve the public purposes of the Act by preserving and creating permanent private sector jobs in the State of New York.

Section 2. Based upon the foregoing review of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following determinations with respect to the Project:

A. The Market Study makes the following findings with respect to available services and lack of same:

- Indicate a favorable capture rate for 42 apartments including a mix of one and two-bedrooms with various rent tiers for each unit type with an overall weighted capture rate of 8.43%.

- Generally, capture below 20% is indicative of market support, and when capture is below 10% there is sound support for the project.
- There are no large scaled market rate housing options, as most of the rentals are located in smaller 2, 3, and 4 family converted residential dwellings or smaller 4 to 20 unit buildings.
- There is a significant rent advantage at the rents project versus both market and other competing affordable projects. The rent advantage is around 25% for the 60% AMI units and around 10% for the 90% AMI units.
- The limited amount of affordable housing in the market. Much of the existing affordable housing includes Rural Development projects that offer rental assistance. There are no competing tax credit developments in the PMA, and none are planned.
- Most affordable projects have wait lists and limited turnover.
- Proximity to employers with local options including the Penn Yan Schools, Hospital and County government offices in addition to the various Keuka College sites. According to Census data the average commute time for Yates County residents is just over 22 minutes which is in range of larger municipalities like Canandaigua and Geneva with greater amount of employment options.

B. That although the Project does constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the predominant purpose of the Project would be to make available services which would not, but for the Project be reasonably accessible to the residents of Yates County because of lack of reasonably accessible trade facilities offering such services.

Section 3. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, and based upon the findings contained in Section 1 above, the Agency hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the Public Hearing; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Chairman of the Yates County Legislature, as chief executive officer of Yates County, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 4. 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:

Gene Pierce	VOTING	Yes
Jerry Hiller	VOTING	Absent
Mary Ann Zelazny	VOTING	Absent
Mark Morris	VOTING	Yes
James Willson	VOTING	Yes
Rita Gow	VOTING	Yes
Dr. Kim Williams	VOTING	Yes

The foregoing Resolution was thereupon declared duly adopted.

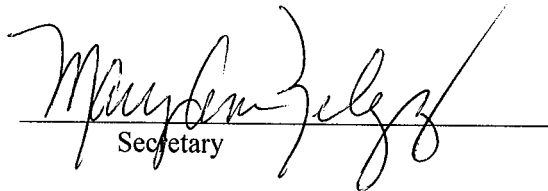
STATE OF NEW YORK)
) SS.:
COUNTY OF YATES)

I, the undersigned Secretary of Yates County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on March 15, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters 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 and affixed the seal of the Agency this 15th day of March, 2017.


Secretary

(SEAL)