

City of North Tonawanda

DONNA L. BRAUN
City Clerk-Treasurer
dbraun@northtonawanda.org

Lori Swartz
Assistant City Clerk

Denise Proefrock
Assistant City Treasurer

OFFICE OF THE CITY CLERK - TREASURER
VITAL STATISTICS
CITY HALL
216 PAYNE AVENUE
NORTH TONAWANDA, N.Y. 14120

Treasurer's Office: (716) 695-8575
Clerk's Office: (716) 695-8555
Fax: (716) 695-8557

COMMON COUNCIL WORKSHOP AGENDA

November 4, 2022

The following meeting has been scheduled for **TUESDAY NOVEMBER 8, 2022:**

6:00 PM Special Session

Re: Vote on the 2023 Budgets

**Re: Proposed Collective Bargaining Agreement
Between North Tonawanda Police Benevolent
Association, Inc. (NTPBA) and City of North
Tonawanda**

**6:30 PM PUBLIC HEARING - To Discuss the City's Economic Development Programs and
the potential submission of an application for funding the
Industrial Expansion Project at Microart Systems**

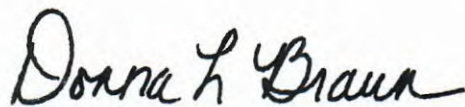
**6:45 PM Ari Shachter
Penrose**

**Re: PILOT Agreement and PSA Extension
Request for 78 Bridge Street**

7:00 PM Common Council

Re: General Discussion

Respectfully submitted,



Donna L. Braun
City Clerk-Treasurer

JEFFREY ZELLNER
CITY ACCOUNTANT

JENNIFER CRESS
PAYROLL PERSONNEL SPECIALIST

SHERI GAMPP
JUNIOR ACCOUNTANT

City of North Tonawanda

DEPARTMENT OF ACCOUNTING
CITY HALL
216 PAYNE AVENUE NORTH
TONAWANDA, N.Y. 14120

TELEPHONE: (716) 695-8545
FAX: (716) 695-8573

SS #1, 2, 3

November 3rd, 2022

NOV 08 2022

Honorable Austin J. Tylec, Mayor
And Common Council Members
City Hall
216 Payne Avenue
North Tonawanda, NY 14120
#1

ADOPTION OF THE 2023 GENERAL FUND BUDGE

Appropriations	<u>\$41,191,534</u>
Financing:	
Estimated Revenue	<u>\$22,321,655</u>
Appropriated Fund Balance	<u>0</u>
Real Property Tax Levy	<u>\$19,199,973</u>
Total Revenue	<u>\$41,521,628</u>
Surplus (Deficiency)	<u>\$330,094</u>

#2

ADOPTION OF THE 2023 WATER FUND BUDGET

Appropriations	<u>\$3,201,953</u>
Water Fund Revenues	<u>\$3,221,394</u>
Surplus (Deficiency)	<u>\$19,441</u>

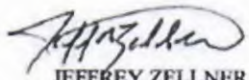
#3

ADOPTION OF THE 2023 SEWER FUND BUDGET

Appropriations	<u>\$4,978,930</u>
Sewer Fund Revenues	<u>\$5,150,360</u>
Surplus (Deficiency)	<u>\$171,430</u>

These figures reflect attached amendments

City Accountant,



JEFFREY ZELLNER
CITY ACCOUNTANT

Jeffrey R Zellner

2023 Budget Amendments

Amendment #1	Add Mechanic back to parks	001.7110.0100	\$ (56,257.00)
Amendment #2	Remove After school program due to lost funding from Boys and Girls	001.7310.0100	\$ 42,500.00
Amendment #3	Add to Police personal service for current officer missed and adjusted pay for Crossing Guards Based on Part time wage Schedule	001.3120.0100	\$ (93,785.00)
Amendment #4	Add Additional Arpa Funding	001.1000.4089	\$ 107,000.00
Amendment #5	Remove raise from Clerk	001.1410.0100	\$ 5,500.00
Amendment # 6	Remove raise from Treasurer	001.1325.0100	\$ 5,500.00
Amendment # 7	Remove raise from Common Council	001.1010.0100	\$ 20,500.00
Amendment # 8	Remove Mayor's office raises	001.1210.0100	\$ 29,500.00
Amendment # 9	Lower amount funded for Human Resource	001.1430.0100	\$ 45,000.00
Amendment # 10	Remove Human resource Administration	001.1430.0410	\$ 2,500.00
Amendment # 11	Lower Public Market personal service	001.6520.0100	\$ 7,000.00
Amendment #12	Remove 1% Percent from Police raises	001.3120.0100	\$ 40,000.00
Amendment # 13	Lower Real Property tax by 1 percent	001.1000.1001	\$ (182,856.88)

City of North Tonawanda

SS #4.

OFFICE OF THE CITY ATTORNEY
CITY HALL
216 PAYNE AVENUE
NORTH TONAWANDA, N.Y. 14120-5489

EDWARD A. ZEBULSKE, III
CITY ATTORNEY

NICHOLAS B. ROBINSON
ASSISTANT CITY ATTORNEY

NOV 08 2022

TELEPHONE
(716) 695-8590
FAX (716) 695-8592

November 4, 2022

Hon. Mayor and Common Council
City Hall, 216 Payne Avenue
North Tonawanda, New York 14120

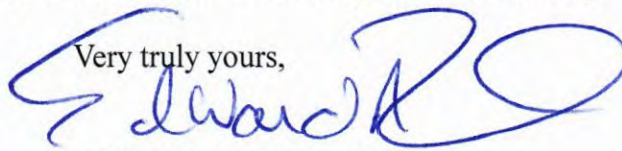
RE: Proposed Collective Bargaining Agreement between North Tonawanda Police Benevolent Association, Inc. (NTPBA) and City of North Tonawanda

Dear Honorable Body:

Attached, for your consideration, are the new terms of the proposed collective bargaining agreement between the North Tonawanda Police Benevolent Association, Inc. (NTPBA) and the City of North Tonawanda. The City and the NTPBA met on numerous occasions over the past several months to negotiate the new agreement, and the amendments are hereby attached. The current agreement was extended during COVID and expires on December 31, 2022. Please note that the proposed term is four (4) years, beginning January 1, 2023.

Should your Honorable Body concur, please pass a resolution approving the changes to the collective bargaining agreement, subject to any further review by the City Attorney.

Very truly yours,



Edward A. Zebulske, III
City Attorney

EAZ/lk
Att.

cc: Donna L Braun, City Clerk-Treasurer

RECEIVED
CITY CLERK'S OFFICE
2022 NOV 4 AM 10:40
NORTH TONAWANDA NY

PBA Changes

1.21 - 12:01 AM of January 1st 2023 through midnight December 31st 2026.

1.23 - May 1 2026 through June 1 2026.

7.11 - 2023 - 4%; Cost to the City - \$172,986.21;
2024 - 4%; Cost to the City - \$186,390.73;
2025 - 3%; Cost to the City - \$128,485.10;
2026 - 3%; Cost to the City - \$132,339.63

- January 1 2023 - Lieutenant salary raised by \$500 – one time only;
Total Cost to the City - \$3,500.00

7.11(4) – Current: Field training officers shall receive an additional \$25;

Proposed: Field training officers shall receive an additional \$30.;

7.34 - Current: The position of desk officer shall be filled by the most senior qualified police officer willing to do the work. The desk officer shall receive an additional \$25 per shift.

- **Proposed:** The position of desk officer shall be filled by the most senior qualified police officer willing to do the work. The desk officer shall receive an additional \$30 per shift.

7.14 (g) Current: Special Duty Pay- an employee performing extra duties requiring specialized training and or skills shall be compensated annually with a lump sum payment of \$360 payable on the first payday of July for the purposes of this agreement specialized duties shall be:

Accident Investigation Team Members; Fire Investigation Team Members; Emergency Response Team Members; Physical Force Instructors; Hostage Negotiators; NYSPIN Terminal Operators; and Breathalyzer Maintenance Officer.

Proposed: Amend to \$400 and add Drug Recognition Expert and Crisis Intervention/Peer-to-Peer Counselors;

7.16 Current: Shift Differential - in addition to the regular rate of pay police officers shall be paid a shift premium as follows:

a) 3:00 o'clock PM to 11:00 o'clock PM shift - \$0.35 per hour for each hour worked.

b) 11:00 o'clock PM to 7:00 o'clock AM shift \$0.45 per hour for each hour worked.

Proposed:

a) 3:00 o'clock PM to 11:00 o'clock PM shift \$0.45 per hour for each hour worked.

b) 11:00 o'clock PM to 7:00 o'clock AM shift \$0.55 per hour for each hour worked.

7.21 Credited Time Off: Current - If an employee is required to make a court appearance while he is off duty he shall be credited with one (1) hour of time off for each hour or portion of an hour while he is so appearing, provided that for each day on which an employee so appears he shall be credited with a minimum of three (3) hours of time off for court appearances in the North Tonawanda City Court or four (4) hours for court appearances in other courts within the City of North Tonawanda or six (6) hours of time off for appearances outside the City of North Tonawanda. For the purposes of this paragraph "court appearance" means an appearance before any court or administrative agency (or an officer of either) which is required as a result of the performance of an employee's duty.

Proposed - If an employee is required to make a court appearance while he is off duty he shall be credited with one (1) hour of time off for each hour or portion of an hour while he is so appearing, provided that for each day on which an employee so appears he shall be credited with a minimum of **two (2)** hours of time off for court appearances in the City of North Tonawanda or **four (4)** hours of time off for appearances outside the city of North Tonawanda. For the purposes of this paragraph "court appearance" means an appearance before any court or administrative agency (or an officer of either) which is required as a result of the performance of an employee's duty.

Omit "or four (4) hours for court appearances in other courts within the City of North Tonawanda".

10.35(3) Sick Leave: Current - Sick leave shall apply to absence due to illness of an employee's immediate family residing in his household. For the purposes of this section "immediate family" shall be limited to the employee's spouse and children. The amount of sick leave for this purpose is limited to 7 working days per calendar year. If required the medical certification must briefly describe the nature of the illness or injury of the employees family member in question.

Proposed: Sick leave shall apply to absence due to illness of an employee's immediate family residing in his household. For the purposes of this section "immediate family" shall be limited to the employee's spouse, **biological children, step-children, fostered children or adopted children** . The amount of sick leave for this purpose is limited to 7 working days per calendar year. If required the medical certification must briefly describe the nature of the illness or injury of the employees family member in question.

10.35(4) **New Proposed:** Paid maternity and paternity leave shall be granted to any member of the PBA immediately following the birth or adoption of a child not to exceed 10 working days. Following the use of an employee's sick time the employee may apply to the sick bank for more time off at the union's discretion.

11.12(b) Leave of Absence: Current - No more than five days of leave for this purpose will be granted to any employee within the bargaining unit during any year of this agreement; and

Proposed: No more than **Seven** days of leave for this purpose will be granted to any employee within the bargaining unit during any year of this agreement;

12. BENEFITS (AMENDED)

Amended – new in Red.

12.12 In accordance with the present practice, the Employer shall continue to provide a hospital and medical insurance policy for each eligible employee as listed below.

- A. For employees hired before January 1 2004, said employee will be required to contribute the cost of \$50 per pay out of pocket for 24 pays for family coverage or \$17.00 per pay out of pocket for 24 pays for single coverage toward the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year until retirement. Once that employee retires they shall be entitled to fully paid coverage without any contribution on their part.
- B. For employees hired between January 1 2004 and January 1 2009, said employee will be required to contribute the cost of twenty-five percent (25%) of the cost of such insurance city of North Tonawanda by way of payroll deduction spread equally over the entire year for a total of six years (6) from the date of their higher. Said employee we'll be required to contribute ten percent (10%) of the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year for an additional four years (4). Once said employee reaches their 10th anniversary date they shall contribute the cost of \$50 per pay out of pocket for 24 pays for family coverage or \$17.00 per pay out of pocket for 24 pays for single coverage toward the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year until retirement. Once that employee retires they shall be entitled to fully paid coverage without any contribution on their part.
- C. For employees hired after January 1 2009, said employee will be required to contribute the cost of twenty-five (25%) of the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year for a total of six years (6) from the date of their hire. Said employee will be required to contribute 10% of the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year until retirement. Once said employee retires they shall be entitled to fully paid coverage without any contribution on their part.

- D. For employees hired after January 1, 2023 said employee will be required to contribute the cost of (25%) of the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year for a total of 10 years (10) from the date of hire. Said employee will be required to contribute twelve (12%) of the cost of such insurance to the city of North Tonawanda by way of payroll deduction spread equally over the entire year until retirement. Once said employee retires they shall be entitled to fully paid coverage without any contribution on their part.
 - E. Provisions of the health care plans provided by the Employer are specifically detailed in a Summary Plan Document ("SBD") which shall include benefits and services that at minimum are equivalent to those outlined in the matrix attached as Appendix A. The significant benefit items as listed in Appendix A will be changed only by agreement of the parties unless changes are mandated by statute or regulation, or by unilateral action outside the control of the City.
 - F. All employees covered by this agreement have the option of participating in the plans, per eligibility outlined below. Such participation in plan enrollment requires certain administrative responsibilities by the employee, such as completing and returning open enrollment forms and plan applications by set deadlines and giving prompt notice of status changes of the planned participants or dependents (example marriage, divorce, birth or adoption of child, child reaching majority age, address change).
 - G. The parties agree that the Employer shall have the right to select an alternate insurer to provide equal or better coverage, but only with the consent of the NTPBA which will not be unreasonably withheld.
 - H. For employees hired before January 1, 2023, in each open enrollment period said employees shall have the choice of all health insurance plans provided by the city as indicated in Appendix A in each open enrollment period.
 - I. For employees hired after January 1, 2023, in each open enrollment period said employees shall have the choice between the Qualified HSA High Deductible plan ("NT HSA") and the flex POS plan (NT #3) listed in Appendix A in each open enrollment period.
 - J. Should any Employee choose the Qualified HRA ("NT NRA") or Qualified HSA High Deductible Plan ("NT HSA"), said employee will be required to only contribute the cost of twenty percent (20%) for the corresponding time as indicated above.
 - K. The Employer shall contribute \$750 for a single plan or \$1500 for a family plan to be contributed the first day of each plan year into each Qualified HRA account or Qualified HSA account for each employee that chooses such a plan.
-

- L. Effective January 1 2023 the Employer shall provide a vision and dental insurance plan to each member of the PBA. The benefits of such as detailed in Appendix B. The significant benefit items as listed in Appendix B will be changed only by agreement of the parties unless changes are mandated by statute or regulation or by unilateral action outside the control of the city. All current members of the PBA shall contribute 0% of the cost of such insurance plans to the city of North Tonawanda by way of payroll deduction spread equally over the entire year until retirement. Upon retirement current members of the PBA who choose to participate in the vision and dental plans may at a cost or contribution of 20% of the cost of such insurance plans to the city of North Tonawanda paid in full by the beginning of Said plan year.

Omit irrelevant language in 12.12

Savings to the City depends on the number of employees opting for new plans or the number of new hires. All savings depends on the number of claims submitted by employees. In general the NT HSA will save approximately 16%-18% of medical expenses per employee and NT #3 will save approximately 8% of medical expenses per employee in 2023. Savings to increase as cost of medical expenses increase.

12.13 (Omit)

12.2 Uniforms (Omit)

12.33 Amended – New in Red

- A. The employer will permit any employee who is a member of the hospital and medical plan provided here in at the time of their retirement to retain their membership in said plan and the \$5 copay drug prescription plan after retirement with the city paying the full cost thereof until retiree reaches the age of 65.
- B. After the employee attains the age of 65 the city shall continue to pay the full cost of a PPO Medicare Advantage plan equal to or greater than the summary of benefits provided in Appendix C.
- C. Should a retiree obtain alternate coverage equal to the coverage provided by the city or be covered by coverage his spouse may acquire he shall no longer be eligible for coverage under the city plan. Should such alternate coverage terminate for any reason he shall again be eligible for membership in the city plan is stated in the paragraph above.
- D. This coverage and the payment for saying by the city shall continue for the employee spouse if set employee should die.

Omit irrelevant language in 12.3.

12.52 – Amend to \$5000 single/\$7500 family regardless of number of officers.

13.22 – Amend to include only employees hired before 1/1/2023.

From: Ari Shachter <ashachter@pennrose.com>
Sent: Thursday, November 3, 2022 10:18 AM
To: Donna Braun <DBraun@northtonawanda.org>
Cc: Dylan Salmons <dsalmons@pennrose.com>
Subject: Timber Shore PILOT

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Donna,

I am writing to you regarding Timber Shore ("The Project") located at 78 Bridge Street. We request to be added to the agenda for the Common Council workshop on Tuesday, November 8th and the Common Council meeting on Tuesday, November 15th.

We will be applying to the New York Homes and Community Renewal ("HCR") for 9% credits in the coming round. The project previously received a resolution supporting a PILOT for Timber Shore. We are now seeking a resolution to approve the PILOT agreement for the project. An approved PILOT agreement will make our application to HCR more competitive as it will further evidence our readiness to proceed.

I am attaching a draft PILOT resolution and a draft PILOT agreement for the council's review.

Please confirm once we are on the agenda so we can book our flights.

Thank you for your continued support of this great project.

Sincerely,
Ari Shachter



Pennrose.com

Ari Shachter
Associate Developer
Pennrose, LLC



2022 NOV 3 AM 11:27
NORTH TONAWANDA NY

RECEIVED
CITY CLERK'S OFFICE

45 Main Street, Suite 539 | Brooklyn, NY 11201
Phone: 347.378.0904 | Email: ashachter@pennrose.com

Mission: Our committed team of exceptional professionals transforms communities by creating high quality real estate developments and delivering outstanding value to our clients and partners.

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Lori Swartz

From: Ari Shachter <ashachter@pennrose.com>
Sent: Thursday, November 3, 2022 11:39 AM
To: Lori Swartz; Donna Braun
Cc: Dylan Salmons
Subject: RE: Timber Shore PILOT/ PSA Extension Request

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you very much Lori and Donna. We are excited to join you and will book our flights.

We would like to add one more topic to the Timber Shore agenda this Tuesday. We would like to extend the purchase date deadline from the "outside closing date" in the Purchase Agreement (December 2023) to the "extended outside closing date" in the Purchase agreement (December 2024).

Looking forward to meeting you.

Best,
Ari



Ari Shachter
Associate Developer
Pennrose, LLC

Pennrose.com

Pennrose is hiring! **NOW HIRING**
Click to view openings

45 Main Street, Suite 539 | Brooklyn, NY 11201
Phone: 347.378.0904 | Email: ashachter@pennrose.com

Mission: Our committed team of exceptional professionals transforms communities by creating high quality real estate developments and delivering outstanding value to our clients and partners.

From: Lori Swartz <LSwartz@northtonawanda.org>
Sent: Thursday, November 3, 2022 11:32 AM
To: Donna Braun <DBraun@northtonawanda.org>
Cc: Ari Shachter <ashachter@pennrose.com>
Subject: [External] RE: Timber Shore PILOT

RESOLUTION NUMBER _____

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF NORTH
TONAWANDA AUTHORIZING THE EXECUTION OF A PAYMENT-IN-LIEU OF
TAX (“PILOT”) AGREEMENT BY AND AMONG THE CITY OF NORTH
TONAWANDA, LCDC HOUSING DEVELOPMENT FUND CORPORATION AND
TIMBER SHORE LLC**

WHEREAS, the City of North Tonawanda (the “City”) desires to encourage a sufficient supply of adequate, safe and sanitary dwelling accommodations properly planned for persons with low income; and

WHEREAS, LCDC Housing Development Fund Corporation (the “HDFC”), a to-be-formed New York not-for-profit corporation to be sponsored by the Lumber City Development Corporation (“LCDC”) and established pursuant to Article XI of the New York Private Housing Finance Law (the “PHFL”), and Timber Shore LLC (the “LLC”), a New York limited liability company, have identified property located at 78 Bridge Street, City of North Tonawanda, County of Niagara, State of New York, Section 184.08, Block 1, Lot 9, as described on Exhibit A attached hereto and made a part hereof (the “Land”), which Land and improvements thereon are now vacant, for the purpose of redeveloping a housing project for persons of low income, said project to consist of: (i) the acquisition of fee title to the Land; (ii) the new construction of a four story building containing 70 units of housing for persons of low income, commercial space, and related improvements (the “Building”) to be known as Timber Shore (the “Project”); and

WHEREAS, the LLC and the HDFC have been, or will be, formed for the purpose of providing residential rental accommodations for families and persons of low income; and

WHEREAS, the HDFC will acquire fee title to the Land, as nominee for the LLC, and will convey its equitable and beneficial fee interests in the Land to the LLC in furtherance of the development of the Project; and

WHEREAS, the HDFC’s and the LLC’s plan for the use of the Land constitutes a “housing project” as that term is defined in the PHFL; and

WHEREAS, the HDFC will be organized as a “housing development fund company” as the term is defined in Section 572 of the PHFL and Section 577 of the PHFL authorizes the City Council to exempt the Project from real property taxes; and

WHEREAS, the LLC and the HDFC will be willing to enter into a PILOT Agreement whereby they will make annual payments in lieu of taxes to the City as set forth in the PILOT Agreement presented to the Common Council for approval;

NOW THEREFORE, BE IT RESOLVED that the Common Council hereby exempts the Project from real property taxes to the extent authorized by Section 577 of the PHFL and approves the proposed PILOT Agreement by and among the City, the LLC and the HDFC, in

substantially the form presented at this meeting, providing for annual payments as set forth in such agreement; and it is

FURTHER RESOLVED, that the Mayor of the City is hereby authorized to execute and deliver the foregoing PILOT Agreement on behalf of the City; and it is

FURTHER RESOLVED, that this resolution shall take effect immediately.

Approved as to form, _____, 2022

, Corporation Counsel

Duly adopted by the City Council
on the ____ day of _____, 2022.

Approved: _____
Veto: _____
Not Endorsed: _____

CERTIFICATION

The undersigned, being the duly elected Clerk of the City of North Tonawanda, hereby certifies that the attached is a true, correct and complete copy of certain resolutions adopted by the Common Council of the City of North Tonawanda on _____, 2022 and such resolutions have not been modified, amended or repealed and are in full force and effect as of the date hereof.

Name:
Title:

EXHIBIT A

Description of the Land

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES (PILOT)
BY AND AMONG THE CITY OF NORTH TONAWANDA, LCDC HOUSING
DEVELOPMENT FUND CORPORATION AND TIMBER SHORE**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (the "Agreement"), dated _____, 2022, by and among the **CITY OF NORTH TONAWANDA, NEW YORK**, a New York incorporated municipality, having its principal office located at 216 Payne Avenue, NORTH TONAWANDA, New York 14120 (the "City"), **LCDC HOUSING DEVELOPMENT FUND CORPORATION**, a to-be-formed New York not-for-profit corporation formed pursuant to Article XI of the Private Housing Finance Law of the State of New York (the "PHFL"), having its principal office located at 500 Wheatfield Street, North Tonawanda, NY 14120 (the "HDFC"), which HDFC will hold title to the Property (as hereinafter defined) for the benefit of **TIMBER SHORE LLC**, a New York limited liability company, having its principal office located at 230 Wyoming Avenue, Kingston, Pennsylvania 18704 (the "LLC").

WHEREAS, the HDFC is, or will become, the nominal legal or record owner, and the LLC is, or will become, the beneficial and equitable owner, of certain real property located in the City of North Tonawanda, County of Niagara, State of New York, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the HDFC is a corporation established pursuant to Section 402 of the Not-For-Profit Corporation Law and Article XI of the PHFL; and

WHEREAS, the LLC has been, and the HDFC has been or will be, formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the LLC will develop, own, construct, maintain and operate a housing project for persons of low income at the Property, anticipated to consist of 70 residential rental units for persons of low income, commercial space and related improvements to be known as Timber Shore (the "Project"); and

WHEREAS, the HDFC's and the LLC's plan for the use of the Property constitutes a "housing project" as that term is defined in the PHFL; and

WHEREAS, the HDFC is, or will be, a "housing development fund company" as the term is defined in Section 572 of the PHFL; and

WHEREAS, pursuant to PHFL Section 577, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from local and municipal taxes, including school taxes, other than assessments for local improvements, to the extent of all or a part of the value of the property included in the completed project; and

WHEREAS, the Common Council of the City of North Tonawanda, New York, by Resolution No. _____ adopted _____, 2022, approved and authorized the execution of this Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL, the City hereby exempts from local and municipal taxes, other than assessments for local improvements, one hundred percent (100%) of the value of the Property, including both the land and the improvements included in the Project. "Local and Municipal Taxes" shall mean any and all real estate taxes levied by Niagara County ("County"), the City of North Tonawanda ("City"), the North Tonawanda City School District ("School District") or other affected taxing jurisdiction (as defined in Subdivision 1(b) of Section 577 of the PHFL) which has jurisdiction over the Property (collectively, the "Taxing Jurisdictions"), and intending to bind the applicable Taxing Jurisdictions to the fullest extent provided under Section 577 of the PHFL.

2. This tax exemption will commence on the date of the HDFC's acquisition of title to the Property and shall continue for a period of forty (40) years from the LLC's completion of the Project (as evidenced by the City's issuance of a certificate of occupancy for the Project). This Agreement shall not limit or restrict the HDFC's or the LLC's right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement. The parties understand that the exemption extended pursuant to Section 577 of the PHFL and this Agreement does not include exemption from special assessments and special ad valorem levies. During the period of this Agreement, the LLC shall pay any service charges, special ad valorem levies, special assessments and improvement district charges or similar tax equivalents which are or would be levied upon or with respect to the Project by the Taxing Jurisdictions or any other taxing authority.

3. Commencing in the first full year after the issuance of a certificate of occupancy for the Project, and continuing for so long as the exemption hereunder continues, the LLC shall make annual payments in lieu of taxes ("PILOT") [on or before January 31st] in the amount set forth in this section, which payments shall cover all Local and Municipal Taxes owed in connection with the Property and the Project, and which payments shall be shared by the Taxing Jurisdictions on the same basis as property taxes would be shared if the Property and the Project were fully taxed. The LLC shall remit the PILOT to the City and the City shall disburse any portions thereof to the County and the School District and any other affected taxing jurisdiction, if and as applicable. The PILOT shall be in the initial amount of Two Hundred and 00/100 Dollars (\$200.00) per dwelling unit per year (prorated for the year in which said certificate of occupancy is issued), which amount shall increase annually by two percent (2%) in accordance with the payment schedule attached hereto as Exhibit B.

4. The tax exemption provided by this Agreement will continue for the term described above provided that the Property and the Project continue to be used as housing facilities for persons of low income and (i) the HDFC and the LLC own and operate the Property and the Project in conformance with Article XI of the PHFL; or (ii) the HDFC assumes sole legal and beneficial ownership of the Property and operates the Property and the Project in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclose a mortgage upon the HDFC, and the legal and beneficial interest in the Property and the Project shall be acquired at the foreclosure sale or from the mortgagee, or by a conveyance in lieu of such sale, by a housing development fund corporation organized pursuant to Article XI of the PHFL, or by the Federal government or an instrumentality thereof, or by a corporation which is, or by agreement has become subject to the supervision of the superintendent of banks or the superintendent of

insurance, and such successor in interest operates the Property and the Project in conformance with Article XI of the PHFL.

5. The failure to make the required payment will be treated as failure to make payment of taxes and will be governed by the same provisions of law as apply to the failure to make payment of taxes, including but not limited to enforcement and collection of taxes to the extent permitted by law.

6. This Agreement and the exemption granted hereunder shall terminate upon an event of default as provided herein and/or in the event that the HDFC is no longer a qualified company as defined by the Private Housing Finance Law. The occurrence of any of the following conditions shall constitute an event of default (“Event of Default”):

- (a) The LLC’s failure to pay in full any payment due under this Agreement within sixty (60) days of its due date; or
- (b) The LLC’s failure to comply with, or to perform according to any provision of this Agreement, if such failure continues in whole or in part for more than sixty (60) days after written request from the City.

In the Event of Default that is not cured, the City may terminate this Agreement and/or the exemption granted hereunder and to return the Property to the taxable portion of the tax roll within thirty (30) days from any PILOT Payment due date and/or prior to the finalization of the tax roll.

7. All notices and other communications hereunder shall be in writing and shall be sufficiently given when delivered to the applicable address stated above (or such other address as the party to whom notice is given shall have specified to the party giving notice) by registered or certified mail, return receipt requested or by such other means as shall provide the sender with documentary evidence of such delivery.

8. This Agreement shall inure to the benefit of and shall be binding upon the City, the LLC, the HDFC and their respective successors and assigns, including the successors in interest of the LLC and the HDFC. There shall be no assignment of this Agreement except with consent of the other party, which consent shall not be unreasonably withheld.

9. If any provision of this Agreement or its application is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be enforced to the greatest extent permitted by law.

10. This Agreement may be executed in any number of counterparts with the same effect as if all the signing parties had signed the same document. All counterparts shall be construed together and shall constitute the same instrument.

11. This Agreement constitutes the entire agreement of the parties relating to payments in lieu of taxes with respect to the Property and supersedes all prior contracts, or agreements, whether oral or written, with respect thereto.

12. Each of the parties individually represents and warrants that the execution, delivery and performance of this Agreement, (i) has been duly authorized and does not require any other consent or approval, (ii) does not violate any article, by-law or organizational document or any law, rule, regulation, order, writ, judgment or decree by which it is bound, and (iii) will not result in or constitute a default under any indenture, credit agreement, or any other agreement or instrument to which any of them is a party. Each party represents that this Agreement shall constitute the legal, valid and binding agreement of the parties enforceable in accordance with its terms.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

14. Any litigation arising out of this agreement shall be venued in Niagara County Supreme Court or the appropriate federal district court exercising jurisdiction over Niagara County.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the City, the HDFC and the LLC have caused this Agreement to be executed in their respective names by their duly authorized representatives and their respective seals to be hereunder affixed, all as of the date above-written.

CITY OF NORTH TONAWANDA, NEW YORK

By: _____
Name: Austin Tylec
Title: Mayor

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

On the ____ day of _____ in the year 2022 before me personally appeared Austin Tylec, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

LCDC HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Name:
Title:

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

On the ____ day of _____ in the year 2022, before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

Signatures continued on following page.

Timber Shore LLC,

By: Timber Shore MM LLC, its Managing Member,

By: Pennrose NY, LLC, its Managing Member

By: Pennrose Holdings, LLC, its Managing Member

By: _____

Name:

Title:

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

On the ____ day of _____ in the year 2022, before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

Description of the Property

EXHIBIT B
PILOT Schedule

	Units	PILOT per Unit
Year 1	70	\$200
Year 2	70	\$204
Year 3	70	\$208
Year 4	70	\$212
Year 5	70	\$216
Year 6	70	\$221
Year 7	70	\$225
Year 8	70	\$230
Year 9	70	\$234
Year 10	70	\$239
Year 11	70	\$244
Year 12	70	\$249
Year 13	70	\$254
Year 14	70	\$259
Year 15	70	\$264
Year 16	70	\$269
Year 17	70	\$275
Year 18	70	\$280
Year 19	70	\$286
Year 20	70	\$291
Year 21	70	\$297
Year 22	70	\$303
Year 23	70	\$309
Year 24	70	\$315
Year 25	70	\$322
Year 26	70	\$328
Year 27	70	\$335
Year 28	70	\$341
Year 29	70	\$348
Year 30	70	\$355
Year 31	70	\$362
Year 32	70	\$370
Year 33	70	\$377
Year 34	70	\$384
Year 35	70	\$392
Year 36	70	\$400
Year 37	70	\$408
Year 38	70	\$416
Year 39	70	\$424
Year 40	70	\$433