

LAURA S. RUBERTO, PARALEGAL  
[lruberto@bsk.com](mailto:lruberto@bsk.com)  
P: 315.738.1223

April 3, 2019

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Nina Wallace, Assessor  
Town of Kirkland  
3699 State Route 12B  
P.O. Box 235  
Clinton,, NY 13323

Re: *Oneida County Industrial Development Agency 2019 Real Estate Lease  
(Hale's Bus Garage, LLC Facility)*

Dear Ms. Wallace:

Enclosed you will please find Form RP-412-a (Application for Real Property Tax Exemption) in connection with the Hale's Bus Garage, LLC facility. Attached to the Application is a copy of the Payment-in-Lieu-of-Tax Agreement which sets forth the terms of the tax abatement that the Agency will grant to the Company, effective March 1, 2020. Also enclosed for your ease of reference is a Closing Summary Sheet that summarizes the benefits the Company will receive.

I direct your attention to the fact that all PILOT bills should be sent directly to the Company at the address listed on page 2 of Form RP-412-a.

Should you have any questions on the enclosed, please do not hesitate to contact our offices.

Very truly yours,



Laura S. Ruberto  
Paralegal

Enclosures

cc: Attached Distribution List (w/enclosures)

## Distribution List

### County:

Anthony J. Picente, Jr.  
Oneida County Executive  
800 Park Avenue  
Utica, New York 13501

Anthony R. Carvelli  
Commissioner of Finance  
Oneida County Finance Department  
800 Park Avenue  
Utica, New York 13501

Kathy Pilbeam, Director  
Real Property Tax Services  
Oneida County  
800 Park Avenue  
Utica, New York 13501

County of Oneida  
Receiver of Taxes  
800 Park Avenue  
Utica, New York 13501

### Town:

Robert J. Meelan, Supervisor  
Town of Kirkland  
3699 State Route 12B  
P.O. Box 235  
Clinton,, NY 13323

Sarah McCullough, Receiver of Taxes  
Town of Kirkland  
3699 State Route 12B  
P.O. Box 235  
Clinton,, NY 13323

### School District:

Mary Lou Lauchert, President  
Board of Education  
Clinton Central School District  
75 Chenango Avenue  
Clinton, New York 13323

Dr. Stephen L. Grimm  
Superintendent of Schools  
Clinton Central School District  
75 Chenango Avenue  
Clinton, New York 13323

Joseph Barretta  
Assistant Superintendent for Business  
Clinton Central School District  
75 Chenango Avenue  
Clinton, New York 13323

Receiver of Taxes  
Clinton Central School District  
75 Chenango Avenue  
Clinton, New York 13323



**NYS DEPARTMENT OF TAXATION & FINANCE  
OFFICE OF REAL PROPERTY TAX SERVICES**

RP-412-a (1/95)

**INDUSTRIAL DEVELOPMENT AGENCIES  
APPLICATION FOR REAL PROPERTY TAX EXEMPTION  
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)**

**1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)**

Name Oneida County Industrial Development Agency  
 Street 584 Phoenix Drive  
 City Rome NY 13441  
 Telephone no. Day (315) 338-0393  
 Evening ( ) \_\_\_\_\_  
 Contact Shawna Papale  
 Title Executive Director

**2. OCCUPANT (IF OTHER THAN IDA)**

(If more than one occupant attach separate listing)

Name Hale's Bus Garage, LLC  
 Street 37 Kirkland Avenue  
 City Clinton NY 13323  
 Telephone no. Day ( ) \_\_\_\_\_  
 Evening ( ) \_\_\_\_\_  
 Contact Stephen E. Hale  
 Title Member

**3. DESCRIPTION OF PARCEL**

- a. Assessment roll description (tax map no./roll year) 337.015-5-1 and 337.015-5-23
- b. Street address 37 Kirkland Avenue
- c. City, Town or Village Kirkland
- d. School District Clinton Central School District
- e. County Oneida
- f. Current assessment \_\_\_\_\_
- g. Deed to IDA (date recorded; liber and page)  
Memo of Lease 03/29/19 #R2019-000419

**4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)**

- a. Brief description (include property use) Construct a 16,000± sf addition to an existing 5,000± sf bus garage and renovate existing bus garage, all to provide motorcoach services
- b. Type of construction \_\_\_\_\_
- c. Square footage 16,000 + 5,000
- d. Total cost See attached
- e. Date construction commenced \_\_\_\_\_
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)  
December 31, 2025 (lease terminates)

**5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION**

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment The Company will pay 50% of taxes years 1-2, 75% of taxes years 3-5, 100% of taxes thereafter, only on the the increase in real property taxes attributable to the Project. The Company will continue to pay 100% of taxes on the Land and existing facilities. See PILOT Agreement attached hereto.
- b. Projected expiration date of agreement December 31, 2025 (exemptions terminate)

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Hale's Bus Garage, LLC  
 Title Stephen E. Hale, Member  
 Address 37 Kirkland Avenue  
Clinton NY 13323

e. Is the IDA the owner of the property?  Yes  No (check one)

If "No" identify owner and explain IDA rights or interest in an attached statement. IDA owns leasehold interest.

Telephone \_\_\_\_\_

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one)  Yes  No

If yes, list the statutory exemption reference and assessment roll year on which granted: exemption \_\_\_\_\_ assessment roll year \_\_\_\_\_

7. A copy of this application, including all attachments, has been mailed or delivered on 4/3/19 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

**CERTIFICATION**

I, David C. Grow, Chairman \_\_\_\_\_ of \_\_\_\_\_

Name	Title
<u>Oneida County Industrial Development Agency</u>	_____
Organization	_____

hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

March 29, 2019  
Date

  
Signature

**FOR USE BY ASSESSOR**

1. Date application filed \_\_\_\_\_

2. Applicable taxable status date \_\_\_\_\_

3a. Agreement (or extract) date \_\_\_\_\_

3b. Projected exemption expiration (year) \_\_\_\_\_

4. Assessed valuation of parcel in first year of exemption \$ \_\_\_\_\_

5. Special assessments and special ad valorem levies for which the parcel is liable:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Assessor's signature

**Exhibit A**

Application for Real Property Tax Exemption  
(Form RP-412-a)  
**Oneida County Industrial Development Agency**  
**(Hale's Bus Garage, LLC Facility)**

4(d). Total Cost of Facility:

New Construction of Bldgs	1,300,000
Renovation Costs	554,169
Machinery and equipment	300,000
Fees and Permits	200,000
Legal fees	10,000
<b>Total:</b>	<b>\$2,364,169.00</b>

HALE'S BUS GARAGE, LLC

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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PAYMENT-IN-LIEU-OF-TAX AGREEMENT

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Oneida County Industrial Development Agency  
2019 Real Estate Lease  
(Hale's Bus Garage, LLC Facility)

Oneida County, Town of Kirkland, Clinton Central School District

Tax Account Nos.: 337.015-5-1  
337.015-5-23

## PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of March 29, 2019, is by and between **HALE'S BUS GARAGE, LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with an address of 37 Kirkland Avenue, Clinton, New York 13323 (the "Company") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

### W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 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, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order 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, the Company desires to (i) construct a ±16,000 square foot, one-story addition (the "Addition") to an existing 5,000± square foot bus garage (the "Existing Improvements" and together with the Addition the "Improvements") situated on an 5.00± acre parcel of land located at 37 Kirkland Avenue, Town of Kirkland, Oneida County, New York (the "Land"), (ii) renovate the Existing Improvements and (iii) acquire and install equipment in the Improvements (the "Equipment"), all for the purpose of providing a motorcoach charter business (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction of the Addition, the renovation of the Existing Improvements and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, Berkshire Bank (the "Bank") has agreed to finance certain costs of the Project by extending a loan to the Company in the maximum principal amount of \$5,000,000.00 to be secured by a Mortgage, Security Agreement and Fixture

Filing dated March 29, 2019 (the "Mortgage") from the Agency and the Company to the Bank; and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Lease Agreement dated of even date herewith and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

WHEREAS, the Agency has agreed to accept a leasehold interest in the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Facility is exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company commencing March 1, 2020, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the Facility is used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of this Agreement in the form of PILOT Payments (defined below) from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Town of Kirkland or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, the Clinton Central School District and appropriate special districts (hereinafter each a "Taxing Authority"



and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Leaseback Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:

(a) all taxes that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and

(b) all special assessments and ad valorem taxes coming due and payable during the term of the Lease Agreement and the Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) The Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

(i) fifty percent (50%) of such taxes from the first through and including the second Exemption Year; and

(ii) seventy-five percent (75%) of such taxes from the third through and including the fifth Exemption Year; and

(iii) one hundred percent of such taxes after the fifth Exemption Year.

Notwithstanding anything herein to the contrary, the term "Exempt Taxes" is intended to mean only the increase in real property taxes attributable to the Project. The Company shall continue to pay taxes, or make payments in lieu of taxes, on the Land and existing facilities thereon (other than the Addition), as if the Agency had no leasehold or other interest therein.

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Leaseback Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement dated as of March 29, 2019.

(b) Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback Agreement; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

3. The Company will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not have a leasehold or other interest in the Facility. PILOT Payments that are delinquent under this Agreement shall be subject to a late penalty of five percent (5%) of the amount due which shall be paid by the Company to the affected Taxing Authority at the time the PILOT Payment is paid. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the affected Taxing Authority on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made. Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment (or causing any payment to be made) when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, the Agency shall have the right to terminate the Leaseback Agreement and this PILOT Agreement, and the Company shall henceforth pay one hundred (100%) percent of the Exempt Taxes, together with all costs of collection, including but not limited to attorneys' fees. Nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

4. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Leaseback Agreement if the Agency did not have a leasehold or other interest in the Facility.

5. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

6. This Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not have a leasehold or other interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's interest in the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company. Notwithstanding anything herein to the contrary, for so long as this Agreement is in

effect, the Company hereby unconditionally and irrevocably waives its right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

8. All amounts payable by the Company hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested or (ii) when delivered by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency  
584 Phoenix Drive  
Rome, New York 13441-4105  
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC  
501 Main Street  
Utica, New York 13501  
Attn.: Linda E. Romano, Esq.

To the Company: Hale's Bus Garage, LLC

37 Kirkland Avenue  
Clinton, New York 13323  
Attn.: Stephen E. Hale, Member

With a Copy To: Felt Evans, LLP  
4 – 6 North Park Row  
Clinton, New York 13323  
Attn: Anthony G. Hallak, Esq.

To the Bank: Berkshire Bank  
24 North Street  
Pittsfield, Massachusetts 01201  
Attn.: Commercial Lending Department

With a Copy To: Lerch, Early & Brewer, Chtd.  
7600 Wisconsin Ave, Suite 700  
Bethesda, MD 20814  
Attn.: Alison W. Rind, Esq.

provided, that the Agency, the Bank or the Company may, by notice given hereunder to the other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

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

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this **PILOT Agreement** as of the date first above written.

HALE'S BUS GARAGE, LLC

By: Stephen E. Hale  
Stephen E. Hale  
Member

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: David C. Grow  
David C. Grow  
Chairman

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

On the 27<sup>th</sup> day of March 2019 before me, the undersigned a notary public in and for said state, personally appeared **Stephen E. Hale**, 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 he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public



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

On the 27<sup>th</sup> day of March 2019 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, 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 he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public



**SCHEDULE A**

**COUNTY OF ONEIDA**

Receiver of Taxes  
800 Park Avenue  
Rome, New York 13501

**TOWN OF KIRKLAND**

100 North Park Row  
Lumbard Hall  
Clinton, New York 13323  
Attn.: Receiver of Taxes

**CLINTON CENTRAL SCHOOL DISTRICT**

75 Chenango Avenue  
Clinton, New York 13323  
Attn.: Receiver of Taxes



**SCHEDULE B**

**EXEMPTION YEARS**

<b>Exemption Year (Assessment Roll Year)</b>	<b>County/Town Taxes</b>	<b>School Taxes</b>
Year One (03/01/2020)	01/01/2021 – 12/31/2021	07/01/2020 – 06/30/2021
Year Two (03/01/2021)	01/01/2022 – 12/31/2022	07/01/2021 – 06/30/2022
Year Three (03/01/2022)	01/01/2023 – 12/31/2023	07/01/2022 – 06/30/2023
Year Four (03/01/2023)	01/01/2024 – 12/31/2024	07/01/2023 – 06/30/2024
Year Five (03/01/2024)	01/01/2025 – 12/31/2025	07/01/2024 – 06/30/2025