

CITY OF SALAMANCA INDUSTRIAL DEVELOPMENT AGENCY

Adopted 6/6/, 1996

UNIFORM TAX EXEMPTION POLICY
CITY OF SALAMANCA
INDUSTRIAL DEVELOPMENT AGENCY

The general policy of the City of Salamanca Industrial Development Agency is to grant applicants real property tax abatements as described below. The IDA may grant enhanced benefits on a case by case basis for a project expected to have a significant economic impact on the City of Salamanca as determined by the IDA's Board of Directors.

Real Property Taxes - PILOT (Payment in Lieu of Taxes)

The IDA maintains a policy for the provision of real property tax abatements for qualified projects. The general policy of the IDA is to grant applicants real property tax abatements based on the base tax year, rising in percentage increments for the term of the lease, and subject to negotiation upon renewal of the lease. The base tax year shall be defined as the combined city, county, school, Seneca Nation of Indians lease, and other assessments payable on the subject premises or portion thereof in the year established as the base.

Eligible projects include industrial projects (ie., manufacturing, remanufacturing, assembly, processing, product research and development, etc.) and non-industrial projects (ie., warehouse, wholesale\distribution, qualified retail, office, hotel, recreational, etc.). Total job creation (TJC) and significance of economic impact on the community will be considered in relation to eligibility, as well. Each project receiving an abatement will be subject to a Payment In Lieu of Taxes (PILOT) agreement in a form acceptable to the IDA.

Pursuant to an agreement between the City of Salamanca and the IDA, such PILOT payments shall be retained by the IDA to offset operating expenses of the Agency, unless otherwise agreed to by both parties.

Any deviations from this standard policy will be made only with the specific approval of the IDA's Board of Directors with specific reasons for the deviation cited in the minutes of the Board of Directors' meeting authorizing such deviation. Additionally, the IDA shall notify the City of Salamanca of the proposed deviation from such policy and the reasons therefore. The IDA's Board of Directors shall consider the following factors in making such determination, no

single one of which is determinative:

- * the nature of the proposed project (ie., manufacturing, commercial, civic);
- * the nature of the property before the project begins (ie., vacant land, vacant buildings);
- * the economic condition of the area at the time of the application;
- * the extent to which a project will create or retain permanent, private sector jobs;
- * the estimated value of tax exemptions to be provided;
- * the impact of the project and the proposed tax exemptions on the City of Salamanca;
- * the impact of the proposed project on existing and proposed businesses and economic development in the vicinity;
- * the amount of private sector investment generated or likely to be generated by the proposed project;
- * the likelihood of accomplishing the proposed project in a timely fashion;
- * the effect of the proposed project on the environment;
- * the extent to which the proposed project will require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency medical or fire services;
- * the extent to which the proposed project will provide additional sources of revenue for the City.

Mortgage Recording Taxes

In connection with project related financing, the IDA will agree to pay the mortgage recording tax and thereby qualify the mortgage for exemption from New York State recording taxes.

Recapture of Exemptions

If the project occupant fails to create or retain permanent, private sector jobs or fails to operate the project under the conditions or for the period originally proposed by the project occupant in its application, as an inducement for the IDA to participate in the project, the IDA may, at its sole discretion, require repayment or suspension of part or all of the benefits received by the project applicant based on the IDA's participation in the project as outlined by the exemptions described herein.