

**ORDINANCE AUTHORIZING A PAYMENT
IN LIEU OF TAX AGREEMENT ON THE EXISTING
CAROUSEL CENTER AND THE CAROUSEL
CENTER EXPANSION PROJECT**

WHEREAS, the City of Syracuse, the City of Syracuse Industrial Development Agency and Pyramid Company of Onondaga have previously entered into the Existing PILOT Agreement relative to the Existing Carousel Center, as authorized by Ordinance No. 380 of 1988, as amended by Ordinance No. 428 of 1995 (terms not otherwise defined in this Ordinance shall have the meaning specified in the attached Exhibit "A"); and

WHEREAS, the City of Syracuse Industrial Development Agency and The Pyramid Companies have proposed an expansion of the Existing Carousel Center, (said expansion to be constructed in phases), which may, if fully built, require in excess of \$200,000,000 in public improvements which would facilitate such development, as well as development of Inner Harbor and Lakefront areas and further serve public purposes, and they are requesting approval by the City of Syracuse of a new payment in lieu of tax agreement covering the Existing Carousel Center as well as any expansion thereof, up to the proposed full-build expansion project, under substantially the terms contained in the attached Exhibit "A"; and

WHEREAS, it has been proposed that the City of Syracuse Industrial Development Agency undertake public infrastructure and public parking improvements incidental to, and desirable in connection with, expansion of the Existing Carousel Center and the development of the Lakefront and Inner Harbor area, as shown on Exhibit "A", and that the costs of constructing such public improvements be paid for by the issuance of the City of Syracuse Industrial Development Agency's tax exempt and/or taxable bonds and that the debt service thereon be secured by, and repaid from, payments in lieu of taxes to be paid on the Existing Carousel Center, and any expansion thereof, under substantially the terms contained in the attached Exhibit "A"; and

WHEREAS, it has also been proposed that the costs of operation and maintenance of such public parking improvements shall be paid for by payments in lieu of taxes to be paid on the Carousel Expansion, under substantially the terms contained in the attached Exhibit "A"; and

WHEREAS, pursuant to Section 858(15) of the General Municipal Law of the State of New York, the City of Syracuse is entitled to receive a share of any payments in lieu of tax under any new payment in lieu of tax agreement entered into with respect to the Existing Carousel Center and any expansion thereof, in proportion to the real property tax that would be payable were the Existing Carousel Center, and any expansion thereof, not otherwise exempt; and

WHEREAS, the proposed transaction requires that: (a) the City of Syracuse and the County of Onondaga agree, pursuant to Section 858(15) of the General Municipal Law of the State of New York, to an allocation and receipt of payments in lieu of taxes other than in proportion to the real property tax that would be payable were the Existing Carousel Center and any expansion thereof, not otherwise exempt, and (b) the City of Syracuse Industrial Development Agency pledge all or a portion of the payments under the proposed PILOT Agreement, that would otherwise be due the City of Syracuse and the County of Onondaga to the funding of public infrastructure and public parking improvements and related development in the Inner Harbor and Lakefront area of the City of Syracuse, as identified in Exhibit "A"; and

WHEREAS, the Common Council has received and considered a Second Supplemental Final Environmental Impact Statement, dated February, 1998 and prepared by The L.A. Group, P.C. and other relevant information for the Carousel Expansion and evaluated and considered the reasonably foreseeable social, economic and environmental impacts of the Carousel Expansion, taking into account the proposed transaction, pursuant to the requirements of the New York State Environmental Quality Review Act and its implementing regulations ("SEQRA"); **NOW THEREFORE**

BE IT ORDAINED, that, upon satisfaction (or waiver as authorized by the Common Council and the Mayor) of the contingencies set forth in the next succeeding paragraph, the Mayor, on behalf of the City of Syracuse, pursuant to General Municipal Law § 858(15), shall enter into, execute and deliver the PILOT Agreement(s) and such other documentation as may be required, including the execution and delivery from time to time of further PILOT Agreements, as contemplated in Exhibit "A", and the Mayor and/or his designee shall take such other steps as may be necessary or appropriate to effectuate the terms of this Ordinance and accept the payments to be made to the City of Syracuse and to authorize the use of any other payments in lieu of tax otherwise due thereunder, in conformity with the terms and conditions contained in Exhibit "A"; and

BE IT FURTHER ORDAINED, that the execution and delivery by the Mayor of the initial PILOT Agreement in connection with the issuance of the 2000 SIDA Bonds shall be contingent upon;

- (a) the adoption of a resolution by the County of Onondaga approving the proposed PILOT Agreement, including agreement to the allocation of any payment in lieu of tax from the Existing Carousel Center and any expansion thereof, as provided in Exhibit "A"; and
- (b) the adoption of a resolution by the City of Syracuse Industrial Development Agency to undertake and/or provide financial assistance to the Existing Carousel Center and any expansion thereof as contemplated by Exhibit "A"; and
- (c) the adoption of a resolution by the City of Syracuse Industrial Development Agency authorizing issuance and sale of the 2000 SIDA Bonds as contemplated by Exhibit "A"; and

(d) the County of Onondaga entering into a revenue sharing agreement with the City of Syracuse, which agreement has been executed by the Onondaga County Executive and the Mayor of the City of Syracuse, providing for payment to the City of Syracuse by the County of Onondaga of an annual amount to be calculated based on the additional sales tax revenue received by the County from the Carousel Expansion. Such agreement shall expressly provide for an annual payment to the City of Syracuse by the County of Onondaga in an amount equal to at least thirty percent (30%) of the amount of such additional sales tax revenue and such agreement shall cover a period through at least the year 2010; and

(e) the closing having occurred (or to occur simultaneously with issuance of the 2000 SIDA Bonds) on financing for construction of the first phase of the proposed Carousel Expansion, including all security required by such financing, together with the execution and delivery of a guarantee of completion for such first phase in favor of the City of Syracuse Industrial Development Agency, in substantially the same form as any such guarantee granted to the lender in connection with such financing for construction; and

BE IT FURTHER ORDAINED, that the Existing PILOT Agreement which is currently in effect on the Existing Carousel Center, as authorized by Ordinance No. 380 of 1988, as amended by Ordinance No. 428 of 1995, is hereby authorized to be terminated upon the issuance of the 2000 SIDA Bonds (as the term is defined in Exhibit "A") and the execution and delivery of the initial PILOT Agreement authorized by this Ordinance; and

BE IT FURTHER ORDAINED, that the Existing PILOT Agreement relative to the Existing Carousel Center shall continue in effect until the issuance of the 2000 SIDA Bonds and the execution and delivery of the initial PILOT Agreement authorized by this Ordinance; and

BE IT FURTHER ORDAINED, that in the event that the initial PILOT Agreement is not executed and delivered, the Existing PILOT Agreement shall remain in full force and effect, in accordance with its terms; and

BE IT FURTHER ORDAINED, that in the event the closing on the construction financing for the first phase of the Carousel Expansion does not occur within forty-eight (48) months after the effective date of this Ordinance, this Ordinance shall expire and shall be null and void and of no further force and effect; and

BE IT FURTHER ORDAINED, that the City of Syracuse shall not be required to issue its debt on behalf of, or otherwise pay for, any of the costs of construction of the Public Improvements described in Exhibit "A", it being the intent of this Ordinance that such improvements will be paid for from the proceeds of bonds issued by the City of Syracuse Industrial Development Agency and that City taxpayers will not be required to support additional debt for such improvements; and

BE IT FURTHER ORDAINED, that there are no significant adverse environmental impacts resulting from the proposed transaction and that all relevant environmental impacts likely to result from the Carousel Expansion, taking into account the proposed transaction, have been identified and considered and that the conclusions in the SEQRA Findings Statement of the City of Syracuse Industrial Development Agency adopted in connection with the Carousel Expansion are confirmed and ratified and that taking into account the proposed transaction, such Findings Statement is adopted, and that the requirements of SEQRA have been met; and

BE IT FURTHER ORDAINED, that the City of Syracuse shall not be obligated, as a result of this Ordinance, to provide any additional funds relative to the Carousel Expansion other than the allocation of the PILOT Payments as authorized herein; and

BE IT FURTHER ORDAINED, that the new PILOT Agreement(s) authorized herein shall be subject to the approval of the Corporation Counsel as to form, content and consistency with this Ordinance and the attached Exhibit "A".