

**PILOT DEVIATION NOTICE RESOLUTION
GREAT LAKES CHEESE CO., INC. PROJECT**

A regular meeting of Allegany County Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at Crossroads Commerce & Conference Center, 6087 State Route 19 North, Belmont, New York on February 11, 2021 at 10:00 o'clock a.m., local time.

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

PRESENT:

Richard Ewell	Chairperson
Judy Hopkins	Vice Chairperson
Randy Shayler	Secretary
Douglas Frank	Treasurer
Michael Johnsen	Member
Ward "Skip" Wilday	Member

ABSENT: None

Guests: Dan Spitzer-Attorney
Greg Merriam-The Harrison Studio

Each of the members present participated in the meeting telephonically pursuant to Executive Order No. 202.1 issued by New York State Governor Andrew M. Cuomo, suspending provisions of Article 7 of the Public Officers Law that require public in-person access to public meetings and authorizing board members to participate in said meetings by conference call or similar service.

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Dr. Craig Clark	Executive Director
Pam Common	Recording Secretary

The following resolution was offered by J. Hopkins, seconded by D. Frank, to wit:

Resolution No. 0221-04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED GREAT LAKES CHEESE CO., INC. (PROJECT BLOCK) PROJECT.

WHEREAS, Allegany 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

collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial 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, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Great Lakes Cheese Co., Inc., a State of Ohio business company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting 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 portion of several parcels of land totaling 210 acres located on Trianna Road (Tax map number 158.-1-31) and Old State Road (Tax map number 158.-1-2.1) in the Town of Amity and County Road 20 (Tax map number 145.-1-5.1) in the Town of Angelica, Allegany County, New York (collectively, the “Land”), (2) the construction on the Land of an approximately 486,000 square foot cheese manufacturing facility and an approximately 50,000 square foot waste water treatment facility, utility interconnections, site preparation, access roads and any other required improvements (all said improvements being collectively referred to as the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”), all of the foregoing to constitute a cheese manufacturing facility to be owned and operated by the Company (the Land, Facility and the Equipment being collectively referred to as the “Project Facility”); (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 estate 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, in connection with the Application, the Company has made a request to the Agency (the “PILOT Request”) to deviate from the its uniform tax exemption policy (the “Policy”) with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the “Proposed PILOT Agreement”); and

WHEREAS, pursuant to the PILOT Request, the Proposed PILOT Agreement would be for a term of twenty (20) years with a fixed payment each year during the term thereof, as more particularly described in Exhibit A attached hereto; and

WHEREAS, the Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 100% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in years one through five of the payment in lieu of tax agreement with a 10% per year increase over the remainder of the term of the ten year payment in lieu of tax agreement; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on such PILOT Request for a deviation from the Policy, the Agency must give the chief executive officers of

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on such PILOT Request for a deviation from the Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project is located (collectively, the "Affected Tax Jurisdictions") no fewer than thirty (30) days prior written notice of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency;

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

Section 1. Having considered both the Application and the PILOT Request, the Agency hereby authorizes the Executive Director of the Agency to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from the Policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit A), and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. 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:

Richard Ewell	VOTING	AYE
Judy Hopkins	VOTING	AYE
Randy Shayler	VOTING	AYE
Douglas Frank	VOTING	AYE
Michael Johnson	VOTING	AYE
Ward "Skip" Wilday	VOTING	AYE

The foregoing Resolution was thereupon declared duly adopted.

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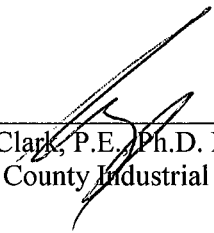
STATE OF NEW YORK)
) SS.:
COUNTY OF ALLEGANY)

I, the undersigned (Assistant) Secretary of Allegany 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 February 11, 2021 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 11th day of February, 2021.



Craig R. Clark, P.E., Ph.D. Executive Director
Allegany County Industrial Development Agency

(SEAL)

EXHIBIT A

PROPOSED FORM OF PILOT DEVIATION LETTER

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Crossroads Commerce & Conference Center
6087 State Route 19 North – Suite 100
Belmont, New York 14813
Phone: (585) 268-7445
Fax: (585) 268-7473

February 11, 2021

Curtis W. Crandall, Chairman
Allegany County Board of Legislators
County Office Building
7 Court Street
Belmont, New York 14813

John Francisco, Town Supervisor
Town of Amity
1 Schuyler Street
Belmont, NY 14895

Dr. Brian Schmitt, Superintendent
Genesee Valley Central School District
1 Jaguar Drive
Belmont, NY 14895

Robert Jones, Town Supervisor
Town of Angelica
49 Park Circle, PO Box 338
Angelica NY 14709

RE: Proposed Deviation from Uniform Tax Exemption Policy by
Allegany County Industrial Development Agency
in connection with its Proposed
Great Lakes Cheese (Project Block) Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

The Allegany County Industrial Development Agency (the “Agency”) received an application (the “Application”) from Great Lakes Cheese, Inc, (the “Company”), a copy of which Application is on file at the office of the Agency, requesting 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 portion of several parcels of land totaling 210 acres located on Trianna Road (Tax map number 158.-1-31) and Old State Road (Tax map number 158.-1-2.1) in the Town of Amity and County Road 20 (Tax map number 145.-1-5.1) in the Town of Angelica, Allegany County, New York (collectively, the “Land”), (2) the construction on the Land of an approximately 486,000 square foot cheese manufacturing facility and an approximately 50,000 square foot waste water treatment facility, utility interconnections, site preparation, access roads and any other required improvements (all said improvements being collectively referred to as the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”), all of the foregoing to constitute a cheese manufacturing facility to be owned and operated by the Company (the Land, Facility and the Equipment being collectively referred to as the “Project Facility”); (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 estate 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.

In connection with the Application, the Company has made a request to the Agency (the “PILOT Request”) to enter into a payment in lieu of tax agreement (the “Proposed PILOT Agreement”) which terms would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed PILOT Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed PILOT Agreement would be for a term of twenty (20) years with the following abatement schedule:

100% Abatement for 15 years
5 Year Phase In (80% in Year 16, 60% in Year 17, 40% in Year 18, 20% in Year 19,
Zero Abatement in Year 20)

The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 100% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in years 1 to 5 of the payment in lieu of tax agreement with a ten percent per year increase over the remaining term of the fifteen year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such PILOT Request and that the Agency is considering whether to grant the PILOT Request and to approve the Proposed PILOT Agreement conforming to the terms of the PILOT Request. The Agency expects to consider whether to approve the terms of the Proposed PILOT Agreement at its meeting scheduled for March 11, 2021 at 10 a.m., local time at the offices of the Agency located at Crossroads Commerce & Conference Center, 6087 State Route 19 North – Suite 100, Belmont, New York 14813 (the “Meeting”). As described later in this letter, during the Meeting the Agency will review the terms of the PILOT Request and, based on the discussions during such Meeting, the terms of the PILOT Request may be modified.

The Agency considered the following factors in considering the proposed deviation:

1. The nature of the Project: Construction of a cheese manufacturing facility on the Land, including the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including a wastewater treatment plant.

2. The present use of the property: The property is currently a farm.

3. The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area: The project is located in the Towns of Amity and Wellsville. At the time of the filing of the Application, the economic condition of the area in which the Project Facility is located is generally average to poor.

4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs. The

Project is expected to create construction jobs, save 299 jobs at the factory, and 600 jobs on local farms. It will add significant permanent farm and factory jobs.

5 The estimated value of new tax exemptions to be provided follows: \$ 21,000,000 in form of Sales Tax exemptions, up to Mortgage recording tax \$9,000,000 exemptions and \$191,593,211.45 in form of Real Property Tax exemptions. There will be an increase in land taxes as a result of the loss of tax exemption.

6. The economic impact of the Proposed PILOT Agreement on affected tax jurisdictions: The development of the Project Facility will increase revenues to the community, support continued farming operations through a lease stream and eventual restoration of farm property and have a positive effect on the affected tax jurisdictions.

7. The impact of the Proposed PILOT Agreement on existing and proposed businesses and economic development projects in the vicinity: It is hoped that the Project will have a positive effect on existing and proposed businesses and economic development projects in the vicinity of the Project as the Project will rely on local services and procure construction materials locally.

8. The amount of private sector investment generated or likely to be generated by the Proposed PILOT Agreement: Estimated private sector equity: \$30,000,000.

9. The effect of the Proposed PILOT Agreement on the environment: The Project is not expected to have any significant environmental impacts. Any impacts will be mitigated.

10. Project Timing: Completion anticipated by December 31, 2024.

11. The extent to which the Proposed PILOT Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services: The Project is a new factory that will use local utility and municipal services. New employees will typically come from the area, new residents will increase need for local municipal services and educational resources.

12. Anticipated tax revenues/Host Community Benefit Agreements: It is expected that revenues will increase due to the undertaking of the Project, including PILOT/Host payments of \$ 20,749,504.89, additional tax on the land with the loss of the agricultural exemption, additional payments for utilities, significant sales tax expenditures by construction and permanent workers, property taxes from new employees.

13. The extent to which the Proposed PILOT Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: The benefit is a positive one economically, in that the Project will preserve employment in the County, increase temporary and permanent employment, and preserve farms through increased demand for milk.

The Agency will consider the Proposed PILOT Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also

allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Craig M. Clark', written over the typed name.

Craig M. Clark
Executive Director