



## UNIFORM TAX EXEMPTION POLICY

Drafted February 1994  
Readopted March 1999  
Amended November 13, 2008  
Amended April 9, 2009  
Amended June 11, 2009  
Amended July 9, 2009

### **Section I. Purpose**

The New York IDA Reform Act of 1993 (Chapters 356 and 357 of the Laws of 1993) created a new General Municipal Law Section 874 (4) that requires an Agency to establish a uniform tax exemption policy. This written policy shall provide guidelines for the claiming of real property, mortgage recording, and sales tax exemptions.

### **Section II. Real Property Tax Abatements**

A. General Policy. The Onondaga County Industrial Development Agency (the "Agency") maintains a policy for the provision of real property tax abatements for qualified projects. This policy requires the Agency and the project owner or occupant to enter into a payment in lieu of taxes or PILOT agreement which provides for payments in lieu of taxes to the taxing jurisdictions generally in an amount less than what the real property taxes would be if the Agency did not cause the project to be exempt.

B. Valuation of Project. For purposes of the PILOT, the value of the project facility shall be determined by the Agency.

C. Term. The term of the PILOT agreement shall be ten (10) years. Such term may be extended or modified as project circumstances may require, but any such modification or extension must comply with the provisions of Section 412-a of the Real Property Tax Law, i.e., filing an application for exemption with the assessor, and a copy with the chief elected official of each taxing jurisdiction in which the project is located.

D. PILOT. Payments in lieu of taxes shall be described in detail in a written PILOT Agreement with the Agency. Project occupants shall pay to the Agency or its designee the amount calculated pursuant to the applicable PILOT Agreement according to a schedule to be determined by the Agency. Unless otherwise agreed by the affected taxing jurisdictions, such payments shall be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and taxes which would

have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involvement in the project

E. Exemptions. The Agency may grant benefits and enter into an agreement for benefits on a case-by-case basis for projects expected to have a significant importance to the local economy. The following exemptions shall be applicable to the Agency PILOT agreements

1. All Projects. For all projects, the Agency will require PILOT payments equivalent to the taxes that would be owed by the applicant if the applicant owned the project and not the Agency, i.e., the percentage of the tax exemption would be zero, unless the applicant makes other written arrangements with the separate taxing jurisdictions as described in Section C-3 or unless the project receives a PILOT agreement as a net-wealth generating project as described in Section C- 2.

2. Net-wealth Generating Project PILOT Agreements. A net-wealth generating project means primarily manufacturing or manufacturing support, or service industries that primarily serve a customer base outside the County of Onondaga. The PILOT agreement for a net-wealth generating project is based upon the tax exemption afforded under Section 485-b of the Tax Law (“Exemption for New Construction”) without regard to whether the taxing jurisdiction has opted out of providing the tax exemption under Section 485-b. The PILOT payments generally are fixed payments based upon the Agency determined value of the project and other factors, including, but not limited to, any increase in the tax rate as determined on a project by project basis by the Agency and the application of the Section 485-b exemption schedule. The following exemption percentages, as provided for in Section 485-b of the Real Property Tax Law, shall apply:

Year	% Exemption
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%

3. Tax Jurisdiction Consent PILOT Agreements. A tax jurisdiction consent PILOT agreement applies to a project where the affected town, village, if any, and school district consent to a proposed abatement.

4. Special Assessments and Levies. No project shall be exempt from special assessments and special ad valorem levies lawfully levied and/or assessed against the Facility Premises

F. Credits. In addition to the exemptions that the Agency may provide on a case-by-case basis for projects expected to have a significant importance to the local economy, the Agency may also provide the following credits to qualifying projects:

1. Green Building PILOT Credit. The Green Building PILOT Credit is an extension of the PILOT policy of the Agency. The purpose is to encourage the construction of “green” sustainable buildings in the County of Onondaga.

i. Eligibility. The Green Building PILOT Credit is available to any new construction that meets the basic qualifications of the Agency Uniform Tax Exemption Policy and is LEED Certified.

ii. LEED Certification. The Agency will use the United States Green Building Council (USGBC) LEED certification standard as a basis for the incentive offered. The USGBC LEED certification process has four levels: LEED Certified, LEED Silver, LEED Gold, and LEED Platinum.

iii. Green PILOT Credit. The Green PILOT Credit is a credit that will be applied against the PILOT payment schedule of a project. The Credit is based upon one of the exemptions in subsection C.

iv. Basic Green PILOT Credit Incentive Schedule. The Basic Green PILOT Credit is calculated as a percentage of the hard construction costs of the project as determined by the Agency. The percentage of the hard construction cost used to determine the Basic Green PILOT Credit for each level of LEED Certification is as follows:

<b>Level Of LEED Certification</b>	<b>Percentage of Construction Costs</b>
LEED Certified	4.8%
LEED Silver	8.4%
LEED Gold	12.0%
LEED Platinum	15.6%

v. Zero-Tax Period. The Green PILOT Credit will be applied against the PILOT payments of the project and shall be applied to each PILOT payment until completely exhausted. A qualifying project may have a “zero-tax period”. The “zero-tax period” shall not exceed five (5) years.

vi. PILOT Payment Schedule. The Agency shall adjust the PILOT payment schedule to ensure that the project receives the full financial benefit of the credit. For those projects whose Green PILOT Credit would result in “zero-tax periods” of greater than five (5) years, the PILOT payment schedule may be extended up to an additional five (5) years and the remaining credit may be applied in equal amounts to the balance of the scheduled PILOT payments.

G. Technical Assistance Group. For projects in which the Agency will make a determination regarding the payment in lieu of tax agreement for tax jurisdiction consents and PILOT deviations, the Agency shall receive advice from the Technical Assistance Group.

1. Membership. The Technical Assistance Group members shall include the Chief Fiscal Officer of Onondaga County, the Director of Real Property Tax Services, the Director of Economic Development, the Deputy County Executive, the Chair of the Onondaga County Legislative Planning and Economic Development Committee, the Executive Director of the Onondaga County Industrial Development Agency and two members of the Agency.

2. Function. The Technical Assistance Group will review the terms of a proposed PILOT agreement, and they will provide the Agency with comments and recommendations thereon.

H. Property Appraisals. The value of the project for payment in lieu of tax purposes is determined by the Agency and such valuation is provided to the applicant. If the applicant does not agree to such valuation, the Agency may obtain a real property appraisal at the applicant’s expense which it may take into consideration in determining whether the initial valuation of the project requires revision.

### **Section III. PILOT Deviations**

In addition to or in lieu of the foregoing, the Agency may determine, on a case-by-case basis, to deviate from the policy described above or to provide enhanced benefits for a project expected to have significant impact on the locality where the project will be located or projects unusual in type or nature requiring special considerations.

Any deviations from the policy set forth above requires the written notification by the Agency to the chief executive officer of each affected tax jurisdiction at least thirty (30) days prior to the meeting of the Agency at which the proposed deviation will be considered. In determining, on a case-by-case basis, to deviate from the policy above, the Agency shall seek the advice of the Technical Assistance Group.

**Section IV. Sales Tax Exemptions**

A. Construction, Renovation and Equipping. When these activities are undertaken by an agent of the Agency for a project of the Agency, they are exempt from New York State sales and use tax.

B. Operating Expenses. Operating expenses incurred by an agent of the Agency for a project of the Agency are not exempt from New York State sales and use tax.

C. Exempt Certificate. The Agency will issue a certificate of exemption which shall be valid for a specified period of time stated in the certificate which shall be determined by the Agency. The certificate of exemption may be renewed subject to any restrictions and/or requirements imposed by the Agency upon such renewal. Terms of renewal shall be provided by the Agency during the application process.

D. Reporting Requirements. Agents of the Agency shall file an annual statement with the Commissioner of Taxation and Finance of the value of all sales tax exemptions claimed by the agent

**Section V. Mortgage Recording Tax Exemptions**

A mortgage granted by the Agency for an Agency project is exempt from the mortgage recording tax.

**Section VI. Recapture**

In the event the facility is sold or closed, or the number of jobs is reduced below 75% of the number employed at the time of application or below 75% of the employment projections provided by the Company, and no substantial future economic benefit is likely to accrue to the community, then the benefits received as a result of any Installment Sale Agreement, Lease Agreement, or PILOT Agreement shall be subject to recapture. The benefits received shall be determined (1) by the difference between any PILOT payments and taxes that would be paid if the property were not in the ownership or control of the Agency; (2) the value of any Sales tax exemption, and (3) the value of any Mortgage Recording Tax. Any funds recaptured shall be distributed proportionally to the affected tax jurisdictions.

The benefits received shall be subject to recapture as follows:

Within two (2) years of completion of the Project	75%
Within three (3) years:	60%
Within four (4) years:	40%

Within five (5) years:	20%
Six years or more:	0%

**Section VII. Amendment or Modification**

The Agency, by resolution of its members, and upon at least ten (10) days notice to the taxing jurisdictions, may amend or modify the foregoing policy, as it may, from time to time, in its sole discretion, determine.