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LOCAL LAW NO. 2 2001

A LOCAL LAW AUTHORIZING THE IRREVOCABLE PAYMENT TO THE CITY OF SYRACUSE OF AN ANNUAL PAYMENT BASED UPON A FORMULA EQUIVALENT TO THIRTY PERCENT OF THE LOCAL SALES AND COMPENSATING USE TAX REVENUES GENERATED ANNUALLY FROM CAROUSEL EXPANSION AND AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE A PAYMENT AGREEMENT FOR A LIMITED TERM

BE IT ENACTED BY THE ONONDAGA COUNTY LEGISLATURE OF THE COUNTY OF ONONDAGA, New York, AS FOLLOWS:

Section 1. Pyramid Company of Onondaga ("Company") (as defined in City of Syracuse Ordinance No.(8j)-2000, consisting of the Ordinance, Exhibit A, Glossary and Schedules 1, 2, 3, and 4, filed with the Clerk of this Legislature on January 12, 2001, herein referred to as Reference Document No. 1), is proposing a major expansion to the enclosed shopping center known as Existing Carousel Center (as defined in Reference Document No. 1, Glossary and Schedules) and wishes to enter into one or more payment in lieu of tax (PILOT) agreements (as defined in Reference Document No. 1, Glossary and Schedules) with the City of Syracuse Industrial Development Agency (SIDA) and the City of Syracuse (City) regarding same.

Section 2. Pursuant to General Municipal Law Section 858, the City of Syracuse and the County of Onondaga must agree to the allocation of PILOT Payments (as defined in Reference Document No. 1) and the anticipated allocation will result in a reduction of PILOT revenues to the City of Syracuse and the County of Onondaga.

Section 3. This County Legislature finds that the Carousel Expansion (as defined in Reference Document No. 1), will benefit the community, and the County wishes to assist the City by providing additional revenues to the City.

Section 4. To facilitate the economic development and public benefits to be generated by the Carousel Expansion, the City and the County desire, pursuant to the New York State General Municipal Law, to enter into an agreement (Payment Agreement) a copy of which was filed with the Clerk of this Legislature on January 12, 2001 and is herein referred to as Reference Document No. 3. Said Payment Agreement requires the County, upon compliance with terms and conditions set forth therein, to remit annually from County general funds to the City a sum based upon a formula equivalent to thirty percent of the local sales and compensating use tax revenues generated annually from the Carousel Expansion for a term not to exceed ten years.

Section 5. This Legislature hereby finds and determines that taking steps to achieve the economic development and increased tourism associated with the Carousel Expansion is in the best interests of the County and constitutes a County purpose.

Section 6. The County hereby irrevocably authorizes the annual payment to the City of a sum based upon a formula equivalent to thirty percent of the local sales and compensating use tax revenues generated annually from the Carousel Expansion upon the terms and conditions set forth in said Payment Agreement, and the Onondaga County Executive hereby is authorized to enter into said Payment Agreement, filed with the Clerk on January 12, 2001, for a period as provided for by law, but not to exceed ten (10) years.

Section 7. The execution and delivery of the Payment Agreement shall be contingent upon the following terms and conditions:

(a). The adoption by the City of Syracuse of an ordinance agreeing to the allocation of any payment in lieu of tax from the Existing Carousel Center and any expansion thereof pursuant to the terms of Reference Document No. 1; and

(b). Execution and Delivery by the City of Syracuse, SIDA, and Company of a PILOT Agreement in connection with the issuance of the 2000 SIDA Bonds pursuant to the terms set forth in Reference Document No. 1, Glossary and Schedules; and

(c). Written representation by SIDA and the City (which for the City shall be in the form of the executed and delivered Payment Agreement) that neither SIDA nor the City will sell, pledge, assign, use as collateral nor otherwise transfer the County's commitments under the Payment Agreement, which Agreement was filed with the Clerk on January 12, 2001; and

(d). The closing having occurred (or to occur simultaneously with issuance of the 2000 SIDA Bonds) (as defined in Reference Document No. 1) on financing for construction of that portion of the

proposed Carousel Expansion to be constructed by Company which, when added to any portions which are to be constructed by occupants of the proposed Carousel Expansion [such construction to be evidenced by lease(s) or other written agreement(s) ("occupant commitments") signed by Company and each such occupant], totals at least 800,000 square feet of LA, and including all security required by such financing, together with the execution and delivery of a guarantee of completion for such 800,000 square feet of LA in favor of SIDA, which guarantee shall be provided to the County whether or not such guarantee of completion is provided to or required by the lender, but if required by the lender such guarantee shall also be provided to the County in substantially the same form as such guarantee granted to the lender in connection with such financing for construction, and if the lender does not require such guarantee, Company shall provide a commercially reasonable guarantee of completion to the County but in no event shall such guarantee require assignment of rents and/or leases.

(e). The execution and delivery of the Alternative Allocation Agreement, a copy of which was filed with the Clerk of this Legislature on January 12, 2001, herein Reference Document No. 2.

Section 8. In the event the closing on the construction financing by Pyramid and delivery of the occupant commitments, as described in Section seven (7) above, does not occur within forty-eight (48) months after the effective date of City of Syracuse Ordinance No. (8j)-2000, this Local Law authorizing the annual payment to the City of Syracuse shall expire and shall be null and void and of no further force and effect.

Section 9. The County shall not be required to issue debt on behalf of, or otherwise pay for, any of the costs of construction of the Public Improvements described in Reference Document No. 1, it being the intent of this Local Law that such improvements will be paid for from the proceeds of bonds issued by SIDA and that County will not be required to issue debt for such improvements.

Section 10. The County of Onondaga shall not be obligated as a result of this Local Law to provide any funds relative to the Carousel Expansion other than the payments pursuant to the Payment Agreement as authorized by this Local Law of the Onondaga County Legislature and other than the allocation of the PILOT Payments (as defined in Reference Document No. 1) authorized by Onondaga County Resolution No. 1 - 01 (which includes Reference Documents Nos. 2, 3, and 5).

Section 11. Neither this Local Law nor the Payment Agreement shall affect the allocation of the sales tax revenues as provided for in the first RESOLVED clause of Onondaga County Resolution No. 201 adopted June 14, 2000.

Section 12. This Local Law shall take effect upon filing with the Secretary of State pursuant to the provisions of the Municipal Home Rule Law.

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ADOPTED
JAN 22 2001