

In The Matter Of:
CRC - CITY OF ALBANY

ALBANY LAW SCHOOL OF UNION UNIVERSITY
April 12, 2017



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CITY OF ALBANY
CAPITAL RESOURCE CORPORATION
PUBLIC HEARING
RE: ALBANY LAW SCHOOL OF UNION UNIVERSITY

21 Lodge Street
Albany, New York
April 12, 2017
12:00 p.m. - 12:17 p.m.

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given by the City of Albany Capital Resource Corporation (the “Issuer”) that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and as required by the Issuer’s certificate of incorporation, Section 859-a of the General Municipal Law of the State of New York, will be held by the Issuer on the 12th day of April, 2017 at 12:00 o’clock p.m., local time, at the offices of the Issuer located at 21 Lodge Street in the City of Albany, Albany County, New York in connection with the following matters:

Albany Law School of Union University, a New York not-for-profit corporation (the “Institution”) has submitted an application (the “Application”) to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Institution, said Project consisting of the following: (A) the refunding of all or a portion of the following bonds previously issued by the City of Albany Industrial Development Agency on June 25, 2007 (the “IDA”): Tax-Exempt Civic Facility Revenue Bonds (Albany Law School of Union University), Series 2007A in the original aggregate principal amount of \$19,065,000 (the “Series 2007A Bonds”), which Series 2007A Bonds were issued for the purpose of financing a portion of the costs of a project (the “Prior Project”) consisting of the following: (1) the acquisition of an interest or interests in an approximately 8.76 acre parcel of land located at 80 New Scotland Avenue, and a portion of 1 De LaSalle Road in the City of Albany, Albany County, New York (collectively, the “Land”), together with two buildings located thereon containing approximately 220,000 square feet of space (collectively, the “Facility”), (2) the renovation and the making of upgrades to the Facility, (3) the acquisition and installation thereon and therein of various machinery and equipment (the “Equipment”) (the Land, the Facility, and the Equipment hereinafter collectively referred to as the “Project Facility”) and (4) the refunding of all or a portion of the Issuer’s (a) Civic Facility Revenue Bonds (The University Heights Association, Inc. – Albany Law School Project), Series 1999A in the original aggregate principal amount of \$8,745,000 (the “1999 Bonds”) and (b) Civic Facility Revenue Bonds (Albany Law School Project), Series 2000A in the original aggregate principal amount of \$9,520,000 (the “2000 Bonds” and collectively with the 1999 Bonds, the “Prior Bonds”), which Prior Bonds provided financing for previously completed projects, including but not limited to, new academic buildings, surface parking and office renovation/expansion; all of the foregoing to constitute an educational facility and other directly and indirectly related activities for use by the Institution; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt/taxable revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an amount then estimated to not exceed \$14,000,000 (the “Obligations”); (C) the paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations, any hedge termination fees and any reserve funds as may be necessary to secure the Obligations and (D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Albany County, New York or elsewhere.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the Mayor of the City of Albany, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the proceeds of the Obligations will be loaned by the Issuer to the Institution pursuant to a loan agreement (the “Agreement”) requiring that the Institution make payments equal to debt service on the Obligations and make certain other payments to the Issuer and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF ALBANY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF ALBANY, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Corporation with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Issuer and to the Mayor of the City of Albany, New York. Approval of the issuance of the Obligations by the City of Albany, New York, acting through its elected Mayor, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Please note that the Issuer is conducting two (2) public hearings with respect to this Project. Both public hearings will be held at the offices of the Issuer with the first public hearing to be held on April 11, 2017 at 5:30 p.m. and the second public hearing to be held on April 12, 2017 at 12:00 p.m.

Additional information can be obtained from, and written comments may be addressed to: Sarah Reginelli, Chief Executive Officer, City of Albany Capital Resource Corporation, 21 Lodge Street, Albany, New York 12207; Telephone: (518) 434-2532.

Dated: March 24, 2017.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT
AGENCY

BY: s/Sarah Reginelli
Sarah Reginelli, Chief Executive Officer

City of Albany Industrial Development Agency/Capital Resource Corporation
PUBLIC HEARING – Albany Law School of Union University

Date: April 12, 2017

SIGN-IN

Name	Affiliation/Organization	Are you going to speak? Y/N
1. <i>Neter Rouscher</i>	<i>Henry Law School</i>	
2.		
3.		
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10.		

1 APPEARANCES:

2 CRC BOARD PRESENT:

3 TRACY METZGER - Chair
4 SUSAN PEDO - Vice Chair
5 C. ANTHONY OWENS - Secretary
6 HON. DARIUS SHAHINFAR - Treasurer
7 DOMINICK CALSOLARO - Member
8 ROBERT SCHOFIELD - Member

9 CRC STAFF PRESENT:

10 SARAH REGINELLI - Chief Executive Officer

11 MARK OPALKA - Chief Financial Officer

12 JOSEPH LANDY - Senior Economic Developer,
13 Capitalize Albany Corporation

14 ANDREW CORCIONE - Economic Developer,
15 Capitalize Albany Corporation

16 MICHAEL BOHNE - Communications & Marketing,
17 Capitalize Albany Corporation

18 CHANTEL BURNASH - Executive Assistant,
19 Capitalize Albany Corporation

20 A. JOSEPH SCOTT, III, Esq. -
21 Special Agency Counsel

22 VALERIE LUBANKO, Agency Counsel

23 ALSO PRESENT:

VICTOR RAUSCHER - Albany Law School

1 MS. METZGER: My name is Tracy
2 Metzger, and I'm the Chair of the City
3 of Albany Capital Resource Corporation
4 in connection with the project which
5 is the subject of the public hearing.

6 Today we are holding this public
7 hearing to allow citizens to make a
8 statement for the record relating to
9 the involvement of the Corporation
10 with a project for the benefit of
11 Albany Law School of Union University,
12 a New York State, not-for-profit
13 corporation.

14 I will now ask Sarah Reginelli,
15 the Chief Executive Officer of the
16 Corporation, to make certain
17 preliminary remarks with respect to
18 the Project and to commence the public
19 hearing.

20 MS. REGINELLI: Thank you,
21 Tracy.

22 Good afternoon. The proposed
23 project is located at 80 New Scotland

1 Avenue and consists of the proposed
2 refinancing of the 2007 Series A Bonds
3 in the original aggregate principal
4 amount of up to \$16,760,000. The
5 refinancing transaction will involve
6 the maximum issuance of \$14,000,000 in
7 bonds.

8 Copies of the notice of this
9 public hearing are available on the
10 table.

11 Now, unless there is any
12 objection, I'm going to suggest
13 waiving the full reading of the notice
14 of this public hearing, and instead
15 request that the full text of the
16 notice be inserted into the record.

17 I will also note that general
18 information on the Corporation's
19 general authority and public purpose
20 are contained in a separate statement
21 and it will also be entered into the
22 record.

23 Before we start the public

1 hearing, I would first like to
2 introduce the project applicant and
3 ask him to make a brief presentation
4 with respect to the proposed Project.

5 MR. RAUSCHER: Hello. My name
6 is Victor Rauscher, vice president for
7 finance and business at the Albany Law
8 School.

9 The project is just what it
10 says; it is a refinancing of our bonds
11 and it will assist us in terms of
12 reducing our interest costs.

13 MS. REGINELLI: Thank you,
14 Victor.

15 I will now open this public
16 hearing at 12:03 p.m.

17 I will waive the reading of our
18 general operating rules, seeing no
19 members of the public in the room, but
20 we will hold the public meeting open
21 pending arrival of anyone wishing to
22 speak.

23 * * *

1 (The record remains open for
2 public comment.)

3 * * *

4 MS. REGINELLI: Seeing no
5 sign-ups on our sign-in sheet to speak
6 at today's public hearing, we will
7 look for written comments.

8 The notice of this public
9 hearing indicated that written
10 comments could be addressed to the
11 Corporation. No written comments have
12 been received by the Corporation prior
13 to this public hearing.

14 Is anyone else at the table
15 aware of any written comments they've
16 received?

17 Seeing none, and no further
18 comments, I will now close this public
19 hearing at 12:17 p.m. Thank you.

20 MS. METZGER: Thank you, Sarah.

21 * * *

22 (Whereupon, the proceedings
23 concluded at 12:17 p.m.)

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SHORTHAND REPORTER CERTIFICATION

STATE OF NEW YORK:
COUNTY OF SARATOGA:

I, BRENDA J. O'CONNOR-MARELLO, a certified shorthand reporter of the State of New York, do hereby certify:

That the foregoing proceedings was taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings prior to testifying were duly sworn; that a record of the proceedings was made by me using machine shorthand, which was thereafter transcribed under my direction and supervision; that the foregoing transcript is a true record of the testimony given.

Further, that if the foregoing pertains to the original transcript of a deposition in a federal case, before completion of the proceedings, review of the transcript [] was [] was not requested.

I further certify I am neither financially interested in the action nor a relative or employee of any attorney or party to this action.

Dated: April 12, 2017



BRENDA J. O'CONNOR-MARELLO, CSR
NYS License No.: 001088-1

Notary Public, State of New York.
Qualified in Saratoga County
Commission Expires: April 4, 2018

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