

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

Notice is hereby given by City of Albany Capital Resource Corporation (the “Issuer”) that a public hearing as provided in the Issuer’s certificate of incorporation, pursuant to Section 859-a of the General Municipal Law of the State of New York (the “Act”) and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), will be held by the Issuer on the 10th day of October, 2017 at 5:30 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 Medical Center Hospital, 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 (the “IDA”): (1) its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2005A in the original aggregate principal amount of \$10,000,000 (the “Series 2005A Bonds”) and its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2005B in the original aggregate principal amount of \$3,000,000 (the “Series 2005B Bonds”) and collectively with the Series 2005A Bonds, the “Series 2005 Bonds”); (2) its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006A in the original aggregate principal amount of \$5,855,000 (the “Series 2006A Bonds”) and its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006B in the original aggregate principal amount of \$1,000,000 (the “Series 2006B Bonds”) and collectively with the Series 2006A Bonds, the “Series 2006 Bonds”); and (3) its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2007A in the original aggregate principal amount of \$6,645,000 (the “Series 2007A Bonds”), its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2007B in the original aggregate principal amount of \$2,335,000 (the “Series 2007B Bonds”), its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007C in the original aggregate principal amount of \$13,160,000 (the “Series 2007C Bonds”) and its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007D in the aggregate principal amount of \$1,465,000 (the “Series 2007D Bonds”) and collectively with the Series 2007A Bonds, the Series 2007B Bonds and the Series 2007C Bonds, the “Series 2007 Bonds”) (the Series 2005 Bonds, the Series 2006 Bonds and the Series 2007 Bonds hereinafter collectively referred to as the “Prior Bonds), which Prior Bonds provided financing for previously completed capital projects located at 25 and 60 Hackett Boulevard and 43 New Scotland Avenue in the City of Albany, New York (collectively, the “Prior Projects”), including but not limited to, medical, administrative, office and garage facilities 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 presently estimated to equal \$28,925,000 and in any event not to exceed \$32,500,000 (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.

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 or its designee pursuant to a loan agreement (the "Agreement") requiring that the Institution or its designee 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 Issuer 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 Issuer. 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 City of Albany, New York. Approval of the issuance of the Obligations by 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 October 10, 2017 at 5:30 p.m. and the second public hearing to be held on October 11, 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: September 22, 2017.

CITY OF ALBANY CAPITAL RESOURCE
CORPORATION

BY: s/Sarah Reginelli
Chief Executive Officer