

# Albany Industrial Development Agency

21 Lodge Street  
Albany, New York 12207  
Telephone: (518) 434-2532  
Fax: (518) 434-9846

Anthony J. Ferrara, *Chairman*  
Susan Pedo, *Secretary*  
C. Anthony Owens  
Tracy Metzger  
Lee Eck  
Darius Shahinfar

Michael Yevoli, *Chief Executive Officer*  
Erik J. Smith, *Chief Financial Officer*  
John Reilly, *Agency Council*

To: Anthony J. Ferrara      Michael Yevoli  
Susan Pedo                  Erik Smith  
C. Anthony Owens        John Reilly  
Tracy Metzger             Joseph Scott  
Lee Eck                     Sarah Reginelli  
Darius Shahinfar         Bradley Chevalier  
                                   Andy Corcione

Date: January 21, 2014

## AGENDA

The regular meeting of the City of IDA will be held on **January 23, 2014 at 12:15PM** at 21 Lodge St (Large Conference Room)

### Reading of Minutes of the Regular Meeting of December 19, 2013

### Approval of Minutes of the Regular Meeting of December 19, 2013

### Reports of Committees

#### Report of Chief Executive Officer

#### Report of Chief Financial Officer

- Financial Report

### Communications

#### Unfinished Business

- 132 State Street Properties LLC Project Synopsis
- 132 State Street Properties LLC SEQR Resolution
- 132 State Street Properties LLC Pilot Deviation Approval Resolution
- 132 State Street Properties LLC Approving Resolution
- 136 State Street Properties LLC Project Synopsis
- 136 State Street Properties LLC SEQR Resolution
- 136 State Street Properties LLC Pilot Deviation Approval Resolution
- 136 State Street Properties LLC Approving Resolution
- Aeon Nexus Corporation Project Synopsis
- Aeon Nexus Corporation SEQR Resolution
- Aeon Nexus Corporation Pilot Deviation Approval Resolution
- Aeon Nexus Corporation Approving Resolution
- 140 State Street Properties LLC Project Synopsis
- 140 State Street Properties LLC SEQR Resolution
- 140 State Street Properties LLC Resolution Making Commercial Retail Findings
- 140 State Street Properties LLC Pilot Deviation Approval Resolution
- 140 State Street LLC Approving Resolution
- 144 State Street LLC Project Synopsis
- 144 State Street LLC SEQR Resolution
- 144 State Street LLC Pilot Deviation Approval Resolution
- 144 State Street LLC Approving Resolution
- 67 Howard Street LLC Project Synopsis
- 67 Howard Street LLC SEQR Resolution
- 67 Howard Street LLC Resolution Making Retail Findings
- 67 Howard Street LLC Pilot Deviation Approval Resolution
- 67 Howard Street LLC Approving Resolution
- 40 Steuben LLC Project Synopsis
- 40 Steuben LLC SEQR Resolution
- 40 Steuben LLC Resolution Making Commercial Retail Findings
- 40 Steuben LLC Pilot Deviation Approval Resolution
- 40 Steuben LLC Approving Resolution

#### New Business

- Columbia 677 LLC Resolution Authorizing Additional Financing
- 733 Broadway LLC Public Hearing Resolution
- Tricentennial Properties LLC Public Hearing Resolution
- Tricentennial Properties LLC SEQR Resolution
- Tricentennial Properties LLC Agent Resolution
- City of Albany Industrial Development Agency Annual Housekeeping Resolution 2014

#### Other Business

**\* The next regularly scheduled meeting is Thursday, February 20th, 2014 at 21 Lodge Street, Albany, NY 12207**

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Telephone: (518) 434-2532  
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Anthony J. Ferrara, *Chairperson*  
Kathy Sheehan, *Treasurer*  
Susan Pedo, *Secretary*  
Tracy Metzger  
C. Anthony Owens  
Lee Eck  
Darius Shahinfar

Michael Yevoli, *Chief Executive Officer*  
Erik J. Smith, *Chief Financial Officer*  
John Reilly, *Agency Counsel*

## IDA MINUTES OF REGULAR MEETING Thursday, December 19, 2013

Attending: Anthony J. Ferrara, Susan Pedo, C. Anthony Owens, Lee Eck and Darius Shahinfar

Absent: Kathy Sheehan and Tracy Metzger

Also Present: Michael Yevoli, Erik Smith, John Reilly, Joe Scott, Sarah Reginelli, Bradley Chevalier, Amy Gardner & Andy Corcione

Chairman Anthony J. Ferrara called the regular meeting of the IDA to order at 12:17 PM.

### Roll Call

Chairman Ferrara reported that all Board members were present with the exception of Kathy Sheehan and Tracy Metzger.

### Reading of Minutes of the Regular Meeting of November 21, 2013

Since the minutes of the previous meeting had been distributed to Board members in advance for review, Chairman Ferrara made a proposal to dispense with the reading of the minutes.

### Approval of Minutes of the Regular Meeting of November 21, 2013

Chairman Ferrara made a proposal to approve the minutes of the regular Board meeting of November 21, 2013 as presented. A motion to accept the minutes, as presented, was made by Anthony Owens and seconded by Lee Eck. A vote being taken, the minutes were accepted unanimously.

### Reports of Committees

None

### Report of Chief Executive Officer

None

### Report of Chief Financial Officer

Erik Smith reviewed the monthly financial report with the Board. Mr. Smith reviewed year-to-date and projected cash inflows and outlays. Mr. Smith advised the Board that the expenditure activity through November 30th is consistent with the IDA's budget. At this time the IDA's projected year-end cash balance is \$958,018.

## Communications

None

## Unfinished Business

### 488 Broadway Arcade LLC Project Synopsis

Counsel reviewed the project synopsis, which had been distributed prior to the Board meeting with the Board. The Applicant is seeking financial assistance, specifically: sales and use tax exemption; mortgage recording tax exemption, and real property tax exemption. The building will be converted into studio and one-bedroom apartments with retail space on the first floor. Staff advised the Board that the project was discussed at the most recent Finance Committee meeting and received a positive recommendation.

### 488 Broadway Arcade LLC Project Resolution Confirming SEQR Determination

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 488 Broadway Arcade LLC Project Resolution Confirming SEQR Determination to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously. Anthony Owens abstained.

### 488 Broadway Arcade LLC Project Commercial Findings Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 488 Broadway Arcade LLC Project Commercial Findings Resolution to the Board. A motion to adopt the Resolution was made by Darius Shahinfar and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously. Anthony Owens abstained.

### 488 Broadway Arcade LLC Project PILOT Deviation Approval Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 488 Broadway Arcade LLC Project PILOT Deviation Approval Resolution to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously. Anthony Owens abstained.

### 488 Broadway Arcade LLC Project Approval Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 488 Broadway Arcade LLC Project Approval Resolution to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Darius Shahinfar. A vote being taken, the Resolution passed unanimously. Anthony Owens abstained.

### 412 Broadway Realty, LLC Project Synopsis

Counsel reviewed the project synopsis, which had been distributed prior to the Board meeting with the Board. The Applicant is seeking financial assistance from the Agency in the form of a sales and use tax exemption; mortgage recording tax exemption; and real property tax abatement. The building will be converted into 32 one and two bedroom residential units with retail on the first floor. The residential units will be serviced by an elevator with parking located next door. Staff advised the Board that the project was discussed at the most recent Finance Committee meeting and received a positive recommendation.

#### 412 Broadway Realty, LLC Project Resolution Confirming SEQR Determination

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 412 Broadway Realty, LLC Project Resolution Confirming SEQR Determination to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Anthony Owens. A vote being taken, the Resolution passed unanimously.

#### 412 Broadway Realty, LLC Project Commercial Findings Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 412 Broadway Realty, LLC Project Commercial Findings Resolution to the Board. A motion to adopt the Resolution was made by Darius Shahinfar and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

#### 412 Broadway Realty, LLC Project PILOT Deviation Approval Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 412 Broadway Realty, LLC Project PILOT Deviation Approval Resolution to the Board. A motion to adopt the Resolution was made by Anthony Owens and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

#### 412 Broadway Realty, LLC Project Approval Resolution

Counsel reviewed the Resolution with the Board.

Chairman Ferrara presented the 412 Broadway Realty, LLC Project Approval Resolution to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Anthony Owens. A vote being taken, the Resolution passed unanimously.

### **New Business**

#### Election of Vice Chairperson Approval Resolution

In accordance with the Agency's bylaws, Tracy Metzger was nominated as Vice-Chairperson. The Board discussed her professional background and expertise. Ms. Metzger was determined by the Board to be a strong candidate as Vice Chairperson.

Chairman Ferrara presented the Election of Vice Chairman Approval Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously.

#### Selection of Accountants 2013 Approval Resolution

The Audit Committee has recommended utilizing the services of Teal, Becker, and Chiaramonte to perform the audit of the Agency's 2013 financial statements. Susan Pedo, Chairperson of the Audit Committee noted that the Board will be provided with direct contact information for Teal, Becker and Chiaramonte and if they have any concerns they should feel free to contact them.

Chairman Ferrara presented the Selection of Accountants 2013 Approval Resolution to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

#### Sixty State Place, LLC Project Resolution Authorizing Additional Financing

Staff reviewed the project with the Board noting that the project had cost more than expected due to asbestos abatement. The Applicant is requesting the Board take administrative action to allow the project to obtain additional financing through their lender. The Applicant is seeking no additional benefits from the agency.

Chairman Ferrara presented the Sixty State Place, LLC Project Resolution Authorizing Additional Financing to the Board. A motion to adopt the Resolution was made by Darius Shahinfar and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously. Anthony Owens abstained.

#### New Covenant Charter School Project Resolution Approving Termination/Conveyance Documents

The bonds issued to finance construction of this project have been terminated. It is appropriate and prudent; therefore, to formally terminate the relevant transaction documents between the Company and the Agency.

Chairman Ferrara presented the New Covenant Charter School Project Resolution Approving Termination/Conveyance Documents to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

### **Other Business**

#### True North Albany Extended Stay LLC

Staff reviewed the original project with the Board and discussed possible assistance options. The Board felt that at this time none of the options available would be suitable for this project. Staff advised the Board that they would keep them informed on the performance of the project.

### **Executive Session**

There being no further business, Chairman Ferrara adjourned the meeting at 12:45PM.

Respectfully submitted,

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(Assistant) Secretary

**City of Albany IDA**  
2013 Monthly Cash Position  
December 2013

	<b>ACTUAL</b>												
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
<b>Beginning Balance</b>	\$ 743,791	\$ 733,351	\$ 827,405	\$ 1,251,055	\$ 1,102,214	\$ 1,121,881	\$ 1,016,276	\$ 973,318	\$ 963,067	\$ 898,465	\$ 901,142	\$ 862,548	\$ 743,791
<b>Revenue</b>													
<b>Fee Revenue</b>													
Application Fee	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 3,000	\$ 10,500	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ 21,000
Agency Fee	-	92,478	430,400	-	19,445	-	-	-	-	-	-	-	542,323
Administrative Fee	-	4,000	-	-	500	-	-	-	18,888	-	-	-	23,388
Modification Fee	500	500	-	-	-	500	-	-	-	-	-	500	2,000
<b>Subtotal - Fee Revenue</b>	\$ 500	\$ 96,978	\$ 430,400	\$ 1,500	\$ 19,945	\$ 500	\$ 3,000	\$ 10,500	\$ 18,888	\$ 3,000	\$ 3,000	\$ 500	\$ 588,711
<b>Other Revenue</b>													
Project Benefit Agreement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Interest Income	66	61	100	94	95	89	85	83	80	76	73	72	973
CRC	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	18,086	-	-	-	-	-	-	-	-	-	-	18,086
<b>Subtotal - Other Revenue</b>	\$ 66	\$ 118,147	\$ 100	\$ 94	\$ 95	\$ 89	\$ 85	\$ 83	\$ 80	\$ 76	\$ 73	\$ 72	\$ 119,059
<b>Total - Revenue</b>	\$ 566	\$ 215,125	\$ 430,500	\$ 1,594	\$ 20,040	\$ 589	\$ 3,085	\$ 10,583	\$ 18,968	\$ 3,076	\$ 3,073	\$ 572	\$ 707,769
<b>Expenditures</b>													
Management Contract	\$ -	\$ -	\$ -	\$ 83,333	\$ -	\$ 41,667	\$ 20,833	\$ 20,833	\$ 20,833	\$ -	\$ 41,667	\$ 20,833	\$ 250,000
Downtown Tactical Plan	-	-	-	-	-	-	25,000	-	-	-	-	25,000	50,000
APA Contract	-	-	-	-	-	-	-	-	-	-	-	-	-
Audits	2,500	-	-	4,500	-	-	-	-	-	-	-	-	7,000
Agency Counsel	-	42,000	-	-	-	-	-	-	-	-	-	-	42,000
ED Support	-	62,500	-	62,500	-	62,500	-	-	62,500	-	-	62,500	312,500
Sub-lease AHCC	8,506	-	6,371	-	-	-	-	-	-	-	-	-	14,877
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	-	1,647	-	-	-	-	-	-	1,647
Misc.	-	160	479	102	373	380	209	-	238	399	-	261	2,600
Other Expenses	-	16,411	-	-	-	-	-	-	-	-	-	-	16,411
<b>Total - Expenditures</b>	\$ 11,006	\$ 121,071	\$ 6,850	\$ 150,435	\$ 373	\$ 106,194	\$ 46,042	\$ 20,833	\$ 83,571	\$ 399	\$ 41,667	\$ 108,594	\$ 697,035
<b>Ending Balance</b>	\$ 733,351	\$ 827,405	\$ 1,251,055	\$ 1,102,214	\$ 1,121,881	\$ 1,016,276	\$ 973,318	\$ 963,067	\$ 898,465	\$ 901,142	\$ 862,548	\$ 754,526	\$ 754,526

# City of Albany IDA

Fee Detail by Month

December 2013

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	Columbia 16 NS II, LLC	\$ -	\$ -	\$ -	\$ 500	\$ 500
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>
<i>February</i>	39 Sheridan Realty, LLC	\$ -	\$ -	\$ 4,000	\$ 500	\$ 4,500
	Columbia Harriman 455, LLC	-	92,478	-	-	92,478
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 92,478</b>	<b>\$ 4,000</b>	<b>\$ 500</b>	<b>\$ 96,978</b>
<i>March</i>	Honest Weight Food Co-Op	\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000
	Albany Medical Science Research, LLC	-	370,000	-	-	370,000
	581 Livingston Avenue, LLC	-	36,400	-	-	36,400
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 430,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 430,400</b>
<i>April</i>	Fuller Road Management Corporation	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500</b>
<i>May</i>	Dilek, LLC	\$ -	\$ 19,445	\$ -	\$ -	\$ 19,445
	NYS OGS	-	-	500	-	500
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 19,445</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 19,945</b>
<i>June</i>	39 Sheridan Realty, LLC	\$ -	\$ -	\$ -	\$ 500	\$ 500
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>

# City of Albany IDA

Fee Detail by Month

December 2013

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	Columbia 425 NS, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	488 Broadway Arcade, LLC	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>August</i>	Scannell Properties #145, LLC	\$ 1,500	\$ -	\$ -	\$ -	1,500
	132 State Street Properties, LLC	1,500	-	-	-	1,500
	134 State Street Properties, LLC	1,500	-	-	-	-
	136 State Street Properties, LLC	1,500	-	-	-	-
	140 State Street Properties, LLC	1,500	-	-	-	-
	144 State Street, LLC	1,500	-	-	-	-
	Aeon Nexus Corporation	1,500	-	-	-	-
	<b>TOTAL</b>	<b>\$ 10,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500</b>
<i>September</i>	Scannell Properties #145, LLC	\$ -	\$ -	\$ 18,888	\$ -	\$ 18,888
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,888</b>	<b>\$ -</b>	<b>\$ 18,888</b>
<i>October</i>	391 Myrtle Avenue	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Park South Partners, LLC	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>November</i>	412 Broadway Realty, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Omni Development Company, Inc.	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>December</i>	Columbia Harriman 455, LLC	\$ -	\$ -	\$ -	\$ 500	\$ 500
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>
	<b>2012 TOTAL</b>	<b>\$ 21,000</b>	<b>\$ 542,323</b>	<b>\$ 23,388</b>	<b>\$ 2,000</b>	<b>\$ 588,711</b>
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>



**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
132 STATE STREET PROPERTIES LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 132 State Street Properties LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .05 acres and located at 132 State Street (currently Tax Map # 76.33-1-19) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 9,450 square feet of space (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a mixed use retail/office facility, and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes a “Type I action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: October 17, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.

7. PILOT Deviation Resolution: See 11(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.
9. Mayor's Approval: Anticipated – January, 2014.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

10. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
11. Business Terms:
  - (A) The Agency fee is estimated to be \$23,515 (1% of the Project costs of \$2,351,500 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-12 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$100,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

The Payment in Lieu of Tax Agreement will also provide that the amount of the real property tax abatement and the term of the Payment in Lieu of Tax Agreement may be reduced depending on the mix of tenants that occupy the Project Facility. For example, if the tenants occupying the Project Facility are tenants that simply moved from one downtown location to another downtown location within the City of Albany, without meeting certain conditions of the Agency (e.g., certifying to the Agency that they would otherwise move out of the City of Albany), this alternative structure may be triggered. The modified abatement schedule and term of the Payment in Lieu of Tax Agreement are described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%
11 and thereafter	0%

12. Basic Documents:

- (A) Underlying Lease from the Company to the Agency.
- (B) License Agreement from the Company to the Agency.
- (C) Bill of Sale to Agency.
- (D) Lease Agreement by and between the Company and the Agency.
- (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

13. Proposed Closing Date: February, 2014.

14. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION**  
**132 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF 132 STATE STREET PROPERTIES LLC.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, 132 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 132 State Street (currently Tax Map # 76.33-1-19) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 9,450 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility, and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consented to the City of Albany Planning Board (the “Planning Board”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by the Planning Board to be an “involved agency” with respect to the Project have either responded that they agree that the Planning Board will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, the Planning Board (A) on October 17, 2013 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”) and (B) on November 21, 2013 certified the findings of the Planning Board with respect thereto;

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

Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms are defined under SEQRA), the Agency hereby concurs in the determination that the Planning Board be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
136 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 136 STATE STREET PROPERTIES LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 136 State Street Properties LLC, a New York limited liability 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, which Application requested 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 two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #’s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the “Land”), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax

Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED –

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Hon. Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
136 State Street Properties LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 136 State Street Properties LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #'s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the "Land"), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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.

The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement

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in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany..

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency 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"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement will provide that the Company be granted a twelve year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$200,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

The Proposed PILOT Agreement will also provide that the amount of the real property tax abatement and the term of the Proposed PILOT Agreement may be reduced depending on the mix of tenants that occupy the Project Facility. For example, if the tenants occupying the Project Facility are tenants that simply moved from one downtown location to another downtown location within the City of Albany, without meeting certain conditions of the Agency (e.g., certifying to the Agency that they would otherwise move out of the City of Albany), this alternative structure may be triggered. The Agency and Agency staff are working through administrative issues with respect to this structure and it will be discussed and described at the Meeting (as defined below). Based on the discussions during such

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meeting, the terms of this structure may be altered. Currently, the modified abatement schedule and term of the Proposed PILOT Agreement are described as follows:

Years	Amount of Abatement on Increased Assessment
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%
11 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, 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.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

- 1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and leased to various tenants for commercial and retail uses and other directly and indirectly related activities.
- 2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a retail and office building complex.
- 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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding

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downtown commercial/retail/residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately twenty-five (25) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown commercial/retail development, which is consistent with the downtown development plan of the City of Albany. This development in the downtown area will provide economic growth for the existing business and entertainment facilities located in the downtown, and result in further residential development, which is also consistent with the downtown development plan of the City. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one-year construction period generating a payroll of over \$879,393.

The Company has estimated that the Project will create approximately 40 full-time jobs by the end of the first year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$256,000, sales and use tax; \$42,382, mortgage recording tax; and \$1,200,097, real property taxes.

**6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

**7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates additional development in the area. In addition it will act to reduce the vacancy rate in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale commercial/retail/residential development projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$3,590,500.

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9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

10. **Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. **Anticipated tax Revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax savings on to the proposed tenants at the Project in the form of market lease payments.

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 promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

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**APPROVING RESOLUTION  
132 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 132 STATE STREET PROPERTIES LLC (THE “COMPANY”).**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting

Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing 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 and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 132 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 132 State Street (currently Tax Map # 76.33-1-19) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 9,450 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility, and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 13, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Initial Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street, in the City of Albany, Albany County, New York, as well as on the Agency's website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public

Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by resolution adopted by the members of the Agency on January 23, 2014 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s Policy with respect to the Project; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter

(the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled "IDA Appointment of Project Operator or Agency for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the "Additional Thirty-Day Project Report"); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the "Mortgage") from the Agency and the Company to the Company's lender with respect to the Project ("the "Lender"), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the "Loan"); and (I) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Executive Director of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project," as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$2,340,750;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) The Project Facility does not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, and accordingly the Project is not prohibited by the provisions of Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and

proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
136 STATE STREET PROPERTIES LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 136 State Street Properties LLC, a New York limited liability company (the "Company").
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #'s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the "Land"), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the "Facility").
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility").
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3.
  - (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes a "Type I action" and (b) the issuance of a "negative declaration".
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: October 17, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.
7. PILOT Deviation Resolution: See 10(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

9. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
10. Business Terms:
  - (A) The Agency fee is estimated to be \$35,905 (1% of the Project costs of \$3,590,500 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-12 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$200,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

The Payment in Lieu of Tax Agreement will also provide that the amount of the real property tax abatement and the term of the Payment in Lieu of Tax Agreement may be reduced depending on the mix of tenants that occupy the Project Facility. For example, if the tenants occupying the Project Facility are tenants that simply moved from one downtown location to another downtown location within the City of Albany, without meeting certain conditions of the Agency (e.g., certifying to the Agency that they would otherwise move out of the City of Albany), this alternative structure may be triggered. The modified abatement schedule and term of the Payment in Lieu of Tax Agreement are described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%
11 and thereafter	0%

11. Basic Documents:

- (A) Underlying Lease from the Company to the Agency.
- (B) License Agreement from the Company to the Agency.
- (C) Bill of Sale to Agency.
- (D) Lease Agreement by and between the Company and the Agency.
- (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

12. Proposed Closing Date: February, 2014.

13. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION**  
**136 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF 136 STATE STREET PROPERTIES LLC.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, 136 State Street Properties LLC, a New York limited liability 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, which Application requested 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 two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #'s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the “Land”), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consented to the City of Albany Planning Board (the “Planning Board”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by the Planning Board to be an “involved agency” with respect to the Project have either responded that they agree that the Planning Board will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, the Planning Board (A) on October 17, 2013 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”) and (B) on November 21, 2013 certified the findings of the Planning Board with respect thereto;

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

Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms are defined under SEQRA), the Agency hereby concurs in the determination that the Planning Board be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)



**PILOT DEVIATION APPROVAL RESOLUTION  
136 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 136 STATE STREET PROPERTIES LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 136 State Street Properties LLC, a New York limited liability 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, which Application requested 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 two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #’s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the “Land”), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax

Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED –

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Hon. Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
136 State Street Properties LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 136 State Street Properties LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #'s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the "Land"), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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.

The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement

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in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany..

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency 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"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement will provide that the Company be granted a twelve year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$200,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

The Proposed PILOT Agreement will also provide that the amount of the real property tax abatement and the term of the Proposed PILOT Agreement may be reduced depending on the mix of tenants that occupy the Project Facility. For example, if the tenants occupying the Project Facility are tenants that simply moved from one downtown location to another downtown location within the City of Albany, without meeting certain conditions of the Agency (e.g., certifying to the Agency that they would otherwise move out of the City of Albany), this alternative structure may be triggered. The Agency and Agency staff are working through administrative issues with respect to this structure and it will be discussed and described at the Meeting (as defined below). Based on the discussions during such

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meeting, the terms of this structure may be altered. Currently, the modified abatement schedule and term of the Proposed PILOT Agreement are described as follows:

Years	Amount of Abatement on Increased Assessment
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%
11 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, 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.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

- 1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and leased to various tenants for commercial and retail uses and other directly and indirectly related activities.
- 2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a retail and office building complex.
- 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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding

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downtown commercial/retail/residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately twenty-five (25) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown commercial/retail development, which is consistent with the downtown development plan of the City of Albany. This development in the downtown area will provide economic growth for the existing business and entertainment facilities located in the downtown, and result in further residential development, which is also consistent with the downtown development plan of the City. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one-year construction period generating a payroll of over \$879,393.

The Company has estimated that the Project will create approximately 40 full-time jobs by the end of the first year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$256,000, sales and use tax; \$42,382, mortgage recording tax; and \$1,200,097, real property taxes.

**6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

**7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates additional development in the area. In addition it will act to reduce the vacancy rate in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale commercial/retail/residential development projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$3,590,500.

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9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

10. **Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. **Anticipated tax Revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax savings on to the proposed tenants at the Project in the form of market lease payments.

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 promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

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**APPROVING RESOLUTION  
136 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 136 STATE  
STREET PROPERTIES LLC (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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

WHEREAS, 136 State Street Properties LLC, a New York limited liability 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, which Application requested 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 two (2) parcels of land containing approximately .10 acres and located at 134/136 State Street (currently Tax Map #'s 76.33-1-17 and 76.33-1-18) in the City of Albany, Albany County, New York (the “Land”), together with the existing facilities located thereon containing in the aggregate approximately 18,000 square feet of space (collectively, the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/office facility and to be leased by the Company to various commercial tenants and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax

exemption benefit for the Project (the “Additional Thirty-Day Project Report”); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lender with respect to the Project (“the “Lender”), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the “Loan”); and (I) various certificates relating to the Project (the “Closing Documents”);

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

Section 1. All action taken by the Executive Director of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a “project,” as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$3,590,000;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) The Project Facility does not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, and accordingly the Project is not prohibited by the provisions of Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
AEON NEXUS CORPORATION PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: Aeon Nexus Corporation, a New York business corporation (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .05 acres and located at 138 State Street (currently Tax Map # 76.33-1-16) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 8,750 square feet of space (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a commercial office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes a “Type I action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: October 17, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.

7. PILOT Deviation Resolution: See 10(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

9. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
10. Business Terms:
  - (A) The Agency fee is estimated to be \$18,335 (1% of the Project costs of \$1,833,500 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-12 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$100,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

The Lease Agreement will also provide that in the event the Company ceases to occupy the whole Facility and begins to lease portions of the Facility to various users of commercial space, such subleases are subject to approval by the Agency.

11. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.
  - (C) Bill of Sale to Agency.
  - (D) Lease Agreement by and between the Company and the Agency.
  - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

12. Proposed Closing Date: February, 2014.

13. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION  
AEON NEXUS CORPORATION PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF AEON NEXUS CORPORATION.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, Aeon Nexus Corporation, a Virginia foreign business corporation (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, which Application requested 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 parcel of land containing approximately .05 acres and located at 138 State Street (currently Tax Map # 76.33-1-16) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 8,750 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a commercial office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consented to the City of Albany Planning Board (the “Planning Board”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by the Planning Board to be an “involved agency” with respect to the Project have either responded that they agree that the Planning Board will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, the Planning Board (A) on October 17, 2013 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”) and (B) on November 21, 2013 certified the findings of the Planning Board with respect thereto;

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

Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms are defined under SEQRA), the Agency hereby concurs in the determination that the Planning Board be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
AEON NEXUS CORPORATION PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM  
TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN  
LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN  
CONNECTION WITH THE PROPOSED AEON NEXUS CORPORATION PROJECT.**

WHEREAS, City of Albany 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 amended (the

“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, Aeon Nexus Corporation, a Virginia foreign business corporation (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, which Application requested 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 parcel of land containing approximately .05 acres and located at 138 State Street (currently Tax Map # 76.33-1-16) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 8,750 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a commercial office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED –

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Hon. Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
Aeon Nexus Corporation Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from Aeon Nexus Corporation (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .05 acres and located at 138 State Street (currently Tax Map # 76.33-1-16) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 8,750 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a commercial office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities; (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.

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Alexandra Streznewski, Board President  
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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency 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"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement will provide that the Company be granted a twelve year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$100,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, the Agency will

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review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

**1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and leased to Aeon Nexus Corporation for commercial uses and other directly and indirectly related activities.

**2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a retail and office building complex.

**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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding downtown commercial/retail/residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately twenty-five (25) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown commercial development, which is consistent with the downtown development plan of the City of Albany. This development in the downtown area will provide economic growth for the existing business and entertainment facilities located in the downtown, and result in further residential development, which is also consistent with the downtown development plan of the City. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one-year construction period generating a payroll of over \$819,393.

The Company has estimated that the Project will create approximately six (6) full-time jobs by the end of the first year of operation, and a total of twelve (12) jobs by the end of the second year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

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5. **The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$122,000, sales and use tax; \$20,107, mortgage recording tax; and \$580,427, real property taxes.

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates additional development in the area. In addition it will act to reduce the vacancy rate in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale commercial/retail/residential development projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$1,833,500.

9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

10. **Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. **Anticipated tax Revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax savings on to the proposed tenants at the Project in the form of market lease payments.

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 promote the development of the downtown of the City of Albany.

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Alexandra Streznewski, Board President  
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The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

012001.00128 Business 12249820v3

**APPROVING RESOLUTION  
AEON NEXUS CORPORATION PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR AEON  
NEXUS CORPORATION (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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

WHEREAS, Aeon Nexus Corporation, a Virginia foreign business corporation (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, which Application requested 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 parcel of land containing approximately .05 acres and located at 138 State Street (currently Tax Map # 76.33-1-16) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 8,750 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a commercial office facility and to be leased by the Company to various commercial tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax

exemption benefit for the Project (the “Additional Thirty-Day Project Report”); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lender with respect to the Project (“the “Lender”), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the “Loan”); and (I) various certificates relating to the Project (the “Closing Documents”);

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

Section 1. All action taken by the Executive Director of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a “project,” as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$1,833,500;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) The Project Facility does not constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, and accordingly the Project is not prohibited by the provisions of Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;



(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
140 STATE STREET PROPERTIES LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 140 State Street Properties LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 5,500 square feet of space (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes an “unlisted action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: October 17, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.
7. Commercial/Retail Findings Resolution: Determining Project is a “commercial project”. Retail – located in distressed area.
8. PILOT Deviation Resolution: See 12(B) below for specifics.
9. Approving Resolution: Approving the Project and the proposed financial assistance.
10. Mayor’s Approval: Anticipated – January, 2014.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

11. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
12. Business Terms:
  - (A) The Agency fee is estimated to be \$13,055 (1% of the Project costs of \$1,305,500 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-12 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$100,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

13. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.
  - (C) Bill of Sale to Agency.
  - (D) Lease Agreement by and between the Company and the Agency.

(E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

14. Proposed Closing Date: February, 2014.

15. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION  
140 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF 140 STATE STREET PROPERTIES LLC.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, 140 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 5,500 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consented to the City of Albany Planning Board (the “Planning Board”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by the Planning Board to be an “involved agency” with respect to the Project have either responded that they agree that the Planning Board will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, the Planning Board (A) on October 17, 2013 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”) and (B) on November 21, 2013 certified the findings of the Planning Board with respect thereto;

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



Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms are defined under SEQRA), the Agency hereby concurs in the determination that the Planning Board be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**COMMERCIAL/RETAIL FINDINGS RESOLUTION  
140 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION (A) DETERMINING THAT THE PROPOSED 140 STATE STREET PROPERTIES LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of

said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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 and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 140 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 5,500 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency's website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in Opinion of the State Comptroller Number 85-51, the State Comptroller indicated that the determination whether a project that consists of the construction of an apartment house is a commercial activity within the meaning of the Act is to be made by local officials based upon all of the facts relevant to the proposed project, and that any such determination should take into account the stated purpose of the Act, that is, the promotion of employment opportunities and the prevention of economic deterioration; and

WHEREAS, to aid the Agency in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Agency has reviewed the following (collectively, the “Project Qualification Documents”): (A) the Application, including the attached Cost Benefit Analysis; and (B) a report dated April 2012 entitled “Albany 2030” (the “2030 Plan”); and

WHEREAS, the Agency has given due consideration to the Project Qualification Documents, and to representations by the Company that although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located within a census tract in the City of Albany which is considered to be a distressed census tract and therefore is in a “highly distressed area”, as that term is defined in Section 854(18) of the Act; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Agency would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Agency to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Agency that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Mayor of the City of Albany of the proposed action by the Agency with respect to the Project; and

WHEREAS, having complied with the requirements of SEQRA and Section 859-a of the Act with respect to the Project, the Agency now desires, pursuant to Section 862(2)(c) of the Act, to make its final findings with respect to the Project and its final determination whether to proceed with the Project;

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

Section 1. Based upon an examination of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

A. The Project is located in an area having a mixture of residential, not-for-profit, commercial, retail, and service uses.

B. The 2030 Plan makes the following comments/findings regarding housing in the City of Albany:

- Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse
- Provide and maintain intergenerational life cycle housing options
- Encourage mixed income housing options throughout the City of Albany
- Promote quality affordable housing
- Increase job opportunities for all residents

C. That undertaking the Project is consistent with the 2030 Report and will assist and maintain current and future residential and commercial development and expansion in the neighborhood area.

D. The Company has informed representatives of the Agency that the Project is expected to create approximately five (5) full time permanent, private sector jobs.

E. The Company has informed representatives of the Agency that the Company is not aware of any adverse employment impact caused by the undertaking of the Project.

Section 2. Based upon the foregoing review of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following determinations with respect to the Project:

A. That although the Project does constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located in a "highly distressed area" (as defined in the Act).

B. That (1) the Project Facility will provide necessary infrastructure for area employers and businesses, (2) the completion of the Project Facility will have an impact upon the creation, retention and expansion of employment opportunities in the City of Albany and in the State of New York, and (3) the completion of the Project will assist in promoting employment opportunities and assist in preventing economic deterioration in the City of Albany and in the State of New York.

C. That the acquisition, reconstruction, renovation and installation of the Project Facility is essential to the retention of existing employment and the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in the City of Albany.

D. That the Project constitutes a "commercial" project, within the meaning of the Act.

E. That the undertaking of the Project will serve the public purposes of the Act by preserving and creating permanent private sector jobs in the State of New York.

Section 3. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, and based upon the findings contained in Section 1 above, the Agency hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the Public Hearing; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 4. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

---

(Assistant) Secretary

(SEAL)



**PILOT DEVIATION APPROVAL RESOLUTION  
140 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 140 STATE STREET PROPERTIES LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of

said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 140 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 5,500 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency's website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED –

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Hon. Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
140 State Street Properties LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 140 State Street Properties LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 5,500 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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.

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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency 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"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement will provide that the Company be granted a twelve year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$100,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	80%
10	60%
11	40%
12	20%
13 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, the Agency will

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review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

**1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and leased to various tenants for commercial, retail and/or residential uses and other directly and indirectly related activities.

**2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a retail and office building complex.

**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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding downtown residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately twenty-five (25) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown housing, which is consistent with the downtown development plan of the City of Albany. New residents in the downtown area will provide economic growth for the business and entertainment facilities located in the downtown, and result in further residential development. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one (1)-year construction period generating a payroll of over \$819,393.

The Company has estimated that the Project will create approximately five (5) full-time jobs by the end of the first year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

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5. **The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$85,600, sales and use tax; \$14,809, mortgage recording tax; and \$337,022, real property taxes.

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates rental housing in the area. In addition it will act to reduce the vacancy rate in downtown and increase the number of market rent residential projects in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale residential redevelopment projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$1,305,500.

9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

10. **Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. **Anticipated tax Revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax savings on to the proposed tenants at the Project in the form of market lease payments.

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 promote the development of the downtown of the City of Albany.

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The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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,

By: s/Michael J. Yevoli  
Chief Executive Officer

**APPROVING RESOLUTION  
140 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 140 STATE  
STREET PROPERTIES LLC (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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

WHEREAS, 140 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .05 acres and located at 140 State Street (currently Tax Map # 76.33-1-15) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 5,500 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by further resolution adopted by the members of the Agency on January 23, 2014 (the “Commercial/Retail Finding Resolution”), the Agency (A) determined that the Project constituted a “commercial project” within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York, (D) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on January 23, 2014 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s Policy with respect to the Project; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the

Agency (1) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled "IDA Appointment of Project Operator or Agency for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the "Additional Thirty-Day Project Report"); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the "Mortgage") from the Agency and the Company to the Company's lender with respect to the Project ("the "Lender"), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the "Loan"); and (I) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Chief Executive Officer of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project," as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$1,305,500;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) Although the Project constitutes a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance with respect to the Project pursuant to Section 862(2)(a) of the Act because the Project is located in a distressed census tract and therefore is in a highly distressed area;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the “Bill of Sale to Agency”) from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 6. The Agency is hereby authorized to acquire, reconstruct, renovate and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition,



reconstruction, renovation and installation are hereby ratified, confirmed and approved; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
144 STATE STREET PROPERTIES LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 144 State Street Properties LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .35 acres and located at 142 State Street (Tax Map # 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 180,000 square feet of space (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a hotel, restaurant and banquet facility and to be operated by the Company as a hotel, restaurant and banquet facility and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes an “unlisted action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: October 17, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.
7. PILOT Deviation Resolution: See 10(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.

#### IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

9. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
10. Business Terms:
  - (A) The Agency fee is estimated to be \$469,603 (1% of the Project costs of \$46,960,257 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-15 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$1,000,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	75%
7	50%
8	50%
9	50%
10	50%
11	50%
12	50%
13	50%
14	50%
15	50%
16 and thereafter	0%

Beginning in Year 11, the Payment in Lieu of Tax Agreement will provide that the Company will pay **the greater of** (a) the amount determined in accordance with the table described above, **OR** (b) \_\_% of gross sales/revenue.

11. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.
  - (C) Bill of Sale to Agency.

- (D) Lease Agreement by and between the Company and the Agency.
- (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

12. Proposed Closing Date: February, 2014.

13. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**RESOLUTION CONFIRMING SEQR DETERMINATION  
144 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE CITY OF  
ALBANY PLANNING BOARD, AS LEAD AGENCY FOR A CERTAIN PROPOSED  
PROJECT FOR 144 STATE STREET PROPERTIES LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 144 State Street Properties LLC, a New York limited liability company (the “Company”), has presented 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 parcel of land containing approximately .41 acres and located at 142 State Street (currently Tax Map # 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 180,000 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a hotel, restaurant and banquet facility and to be operated by the Company as a hotel, restaurant and banquet facility and any other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (1) the Planning Board of the City of Albany, New York (the “Planning Board”) was designated to act as “lead agency” with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on October 17, 2013 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, reconstruction, renovation and installation of the Project Facility will not have a “significant effect on the environment”; and

WHEREAS, the Agency is an “involved agency” with respect to the Project and the Agency now desires to concur in the determination by the Planning Board, as “lead agency” with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate whether the Agency has any information to suggest that the Planning Board was incorrect in determining that the Project will not have a “significant effect on the environment” pursuant to SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Project;

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

Section 1. The Agency has received copies of, and has reviewed, the Application and the Negative Declaration (collectively, the “Reviewed Documents”) and, based upon said Reviewed Documents, the Agency hereby ratifies and concurs in the designation of the Planning Board as “lead agency” with respect to the Project under SEQRA (as such quoted term is defined in SEQRA).

Section 2. The Agency hereby determines that the Agency has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a “significant effect on the environment” pursuant to the SEQRA and, therefore, that environmental impact statement need be prepared with respect to the Project (as such quoted phrase is used in SEQRA).

Section 3. The member of the Agency are hereby directed to notify the Planning Board of the concurrence by the Agency that the Planning Board shall be the “lead agency” with respect to the Project, and to further indicate to the Planning Board that the Agency has no information to suggest that the Planning Board was incorrect in its determinations contained in the negative declaration.

Section 4. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

EXHIBIT A  
NEGATIVE DECLARATION

**NOTIFICATION OF LOCAL ACTION  
DECISION OF THE CITY OF ALBANY PLANNING BOARD**

ADDRESS OF SUBJECT PROPERTY: 144 AKA 142 State St.

IN THE MATTER OF: Site Plan Approval to allow for the restoration of the structure at the site for use as a +/- 204-unit hotel.

APPLICANT: 144 State Street, LLC c/o Hershberg & Hershberg  
ADDRESS: 18 Locust St., Albany, NY 12203

CASE NUMBER: 9-13, 890

Date Received: 8/23/13  
Presentation Dates: 9/19/13; 10/17/13  
SEQR Classification: Unlisted Action  
SEQR Determination: 10/17/13  
Date of Decision: 10/17/13

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Vote:	For Approval:	5	Abbott:	Y	Pryor:	Y
	Against:	0	Bates:	Y	Trant:	Y
	Abstain:	0	Fox:	Y		

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**Relevant Considerations:**

**Owner:** See Why Gerard, LLC, 1571 57<sup>th</sup> St., Brooklyn, NY 11219

**Applicant:** 144 State Street, LLC, c/o Columbia Development Companies, 302 Washington Ave. Ext., Albany, NY 12203

**Authorized Agent:** Hershberg & Hershberg, 18 Locust St., Albany, NY 12203

**Parcel size:** 0.39 acres.

**Location:** The property is located on the south east corner of State and Eagle Streets.

**Zoning:** C-3 (Central Business).

**Surrounding Uses:**

***North (across State Street):*** 9,616 sq. ft. office building of Evergreen Bank NA; 3,894 sq. ft. mixed-use building of Robert J. Amadore.

***West (across Eagle Street):*** 48,822 sq. ft. office building of EGL Realty Partnership L.P.; NYS Capitol Building.

***East:*** Proposed development (see case #9-13, 889)

**South (across Lodge Street):** 100-space parking lot/garage of 70 Howard Street, LLC.

**Proposed Project:** The applicant proposes to restore the building at the site for use as a hotel - the original built use of the structure. The property was most recently utilized as an apartment residence, banquet facility and various retail and service uses, but was largely vacated in 2007. The proposed hotel would fully reutilize the eleven-story building along with three penthouse levels. A total of 204 rooms will be provided as well as banquet facilities, a restaurant, retail space, a health club and other common amenities. The projected hotel brand is Renaissance by Marriott, an upscale hotel chain that places an emphasis of the restoration of historic properties.

**Parking & Traffic:** The hotel proposes to secure up to 200 parking spaces at an off-site location. Several locations are being considered for use, including a proposed parking garage at 67 Howard Street and an existing garage owned by the County of Albany. No parking is required per the zoning regulations in the C-3 zoning district.

**Water/Sewer:** The applicant anticipates an increase in water/sewer usage of 24,480 gallons per day and indicates that sufficient capacity exists to accommodate the use. New water and sewer service connections will tie in with City service provisions along Howard Street.

**Forestry:** Street trees existing along Eagle and Howard Streets will be replaced at the discretion of the Division of Forestry.

**Loading Area:** There is a small loading area and door along Howard Street. An easement will be granted onto the neighboring property where a small driveway will be installed for the purpose of accommodating delivery vehicles

**Drop-Off/Pick-Up Lane:** A drop-off/pick-up area is proposed within the Eagle Street right-of-way in front of the building. Removal of parking meters is anticipated. The roadway striping will also be reconfigured depending upon the width of the lane. Lane markings will also be necessary.

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#### **Actions Taken:**

The Board issued a **Negative Declaration** for this **Unlisted Action** as per the provisions of SEQR, as the environmental impacts are negligible or non-existent.

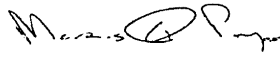
The Board **Approved** the site plan with the following conditions:

1. **The applicant shall obtain final approval from the Department of Water & Water Supply.**
  2. **Miscellaneous plan notes shall be more clearly delineated on site plan drawings, as required by Divisions of Engineering and Planning.**
  3. **Removal of metered parking spaces shall be subject to agreement with the Albany Parking Authority.**
-

I, Marcus Pryor representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of October 17, 2013.

Date: 10/17/13

Signature: \_\_\_\_\_



This is not a building permit. All building permits must be approved and issued by the Building Department prior to the start of any construction.

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Prior to making an application for a Certificate of Occupancy, the applicant will be required to submit to the Building Department an "as built" site plan which depicts all elements shown on the approved site plan including but not limited to contours, landscaping, building locations, utilities paved and parking areas, signage, accessory structures and other related physical improvements.

**PILOT DEVIATION APPROVAL RESOLUTION  
144 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 144 STATE STREET PROPERTIES LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 144 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .35 acres and located at 142 State Street (Tax Map # 76.33-1-14) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 180,000 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a hotel, restaurant and banquet facility and to be operated by the Company as a hotel, restaurant and banquet facility and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency's website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the

Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on October 17, 2013 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.



Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED –

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
144 State Street Properties LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 144 State Street Properties LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .35 acres and located at 142 State Street (Tax Map # 76.33-1-14) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 180,000 square feet of space (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a hotel, restaurant and banquet facility and to be operated by the Company as a hotel, restaurant and banquet facility and any other directly and indirectly related activities; (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.

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Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany..

The Proposed PILOT Agreement will provide that the Company be granted a fifteen year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$1,000,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	75%
7	50%
8	50%
9	50%
10	50%
11	50%
12	50%
13	50%
14	50%
15	50%
16 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, 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.

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Katherine Sheehan, Mayor  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
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This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

**1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and to be operated as a hotel, restaurant and banquet facility and other directly and indirectly related activities.

**2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a hotel/housing facility.

**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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding downtown commercial/retail/residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately two hundred (200) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown commercial development, which is consistent with the downtown development plan of the City of Albany. This development in the downtown area will provide economic growth for the existing business and entertainment facilities located in the downtown, and result in further residential development, which is also consistent with the downtown development plan of the City. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one-year construction period generating a payroll of over \$2,704,900.

The Company has estimated that the Project will create approximately one hundred sixty-two (162) full-time jobs by the end of the second year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$1,396,000, sales and use tax; \$400,000, mortgage recording tax; and \$13,970,959, real property taxes.

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**6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

**7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates additional development in the area. In addition it will act to reduce the vacancy rate in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale commercial/retail/residential development projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$46,960,257.

**9. The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

**10. Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

**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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

**12. Anticipated tax revenues:** The Company has requested a deviation from the Policy in order to obtain the hotel franchise.

**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 promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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

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Alexandra Streznewski, Board President  
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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,

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

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**APPROVING RESOLUTION  
144 STATE STREET PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 144 STATE  
STREET PROPERTIES LLC (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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

WHEREAS, 144 State Street Properties LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .35 acres and located at 142 State Street (Tax Map # 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 180,000 square feet of space (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a hotel, restaurant and banquet facility and to be operated by the Company as a hotel, restaurant and banquet facility and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on October 17, 2013 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the “Additional Thirty-Day Project Report”); (H) if the Company

intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the "Mortgage") from the Agency and the Company to the Company's lender with respect to the Project ("the "Lender"), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the "Loan"); and (I) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Executive Director of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project," as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$46,960,257;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) The Project is likely to attract a significant number of visitors from outside the Tri-City Albany economic development region, and therefore meets the definition of a "tourism destination" project within the meaning of Section 862(s)(a) of the Act. Accordingly, although facilities or projects that are primarily used in making retail sales of goods or services to customers who personally visit such facilities may constitute more than one third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
67 HOWARD STREET LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 67 Howard Street LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the “Land”).
  - (B) Construction: the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the “Facility”).
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes a “Type I action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: November 21, 2013.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 11, 2013.
    - (5) Location of Public Hearing: at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**

6. SEQR Resolution: Confirming SEQR Resolution.



7. PILOT Deviation Resolution: See 12(B) below for specifics.
8. Retail Findings Resolution: Confirming job creation/retention.
9. Approving Resolution: Approving the Project and the proposed financial assistance.
10. Mayor's Approval: Anticipated – January, 2014.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

11. Relationship of Agency to Company: The Agency will acquire, construct and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
12. Business Terms:
  - (A) The Agency fee is estimated to be \$65,035 (1% of the Project costs of \$6,503,500 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-15 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land, and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1	100%
2	100%
3	100%
4	100%
5	100%
6	75%
7	50%
8	50%
9	50%
10	50%
11	50%
12	50%
13	50%
14	50%
15	50%
16 and thereafter	0%

Beginning in Year 11, the Payment in Lieu of Tax Agreement will provide that the Company will pay **the greater of** (a) the amount determined in accordance with the table described above, **OR** (b) 15% of gross sales/revenue.

13. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.

- (B) License Agreement from the Company to the Agency.
- (C) Bill of Sale to Agency.
- (D) Lease Agreement by and between the Company and the Agency.
- (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.

14. Proposed Closing Date: February, 2014.

15. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION  
67 HOWARD STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF 67 HOWARD STREET LLC.**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, 67 Howard Street LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the “Facility”) and (3) the acquisition and installation therein and thereon of certain fixtures, machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consented to the City of Albany Planning Board (the “Planning Board”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by the Planning Board to be an “involved agency” with respect to the Project have either responded that they agree that the Planning Board will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, the Planning Board (A) on October 17, 2013 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”) and (B) on November 21, 2013 certified the findings of the Planning Board with respect thereto;

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

Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms

are defined under SEQRA), the Agency hereby concurs in the determination that the Planning Board be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**RESOLUTION MAKING RETAIL FINDINGS  
67 HOWARD STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION MAKING RETAIL FINDINGS FOR A CERTAIN COMMERCIAL  
PROJECT FOR 67 HOWARD STREET LLC (THE “COMPANY”)**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of civic, manufacturing and commercial 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 67 Howard Street LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the “Facility”) and (3) the acquisition and installation therein and thereon of certain fixtures, machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York



(collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on January 23, 2014 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the City of Albany Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the "Negative Declaration"), in which the Planning Board determined that the Project will not have a "significant environmental impact on the environment" and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located within an empire zone that is considered to be a distressed census tract and therefore is in a "highly distressed area", as that term is defined in Section 854(18) of the Act; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Agency would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Agency to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Agency that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Mayor of the City of Albany of the proposed action by the Agency with respect to the Project; and

WHEREAS, having complied with the requirements of SEQRA and Section 859-a of the Act with respect to the Project, the Agency now desires, pursuant to Section 862(2)(c) of the Act, to make its final findings with respect to the Project and its final determination whether to proceed with the Project; and

WHEREAS, pursuant to Section 862(2) of the Act, prior to providing the Financial Assistance to the Project, the Mayor of the City of Albany, New York, as the chief executive officer of the City of Albany, New York, must confirm the proposed action of the Agency;

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

Section 1. Having reviewed the Application and such other items as the Agency deems pertinent pursuant to Section 862(2) of the Act, the Agency hereby finds and determines as follows:

(A) Although the Project does constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located in an empire zone that is considered to be a distressed census tract and therefore is in a highly distressed area;

(B) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of the City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(C) The completion of the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State of New York; and

(D) The chief executive officer of the City of Albany, New York shall confirm the proposed action of the Agency.

Section 2. Having reviewed further the Application and such other items as the Agency deems pertinent pursuant to Section 862(2) of the Act, the Agency hereby finds and determines as follows:

(A) The Company has informed representatives of the Agency that the Project is expected to increase the overall number of permanent private sector jobs in the State of New York by creating 2 full time permanent, private sector jobs by the end of the first year of the completion of the Project.

(B) The Company has informed representatives of the Agency that the Company is not aware of any adverse employment impact caused by the undertaking of the Project.

Section 3. Based upon the findings made in Section 2 above, the Agency hereby determines that undertaking the Project will serve the public purposes of the Act by increasing the overall number of permanent private sector jobs in the State of New York.

Section 4. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, the Agency hereby further confirms the Agency's finding in that, although facilities or projects that are primarily used in making retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance with respect to the Project pursuant to Section 862(2)(a) of the Act because the Project is located in an empire zone and census tract 21, which is considered to be a distressed census tract and therefore is in a highly distressed area.

Section 5. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, and based upon the findings contained in Sections 1 through 4 above, the Agency hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the Public Hearing; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 6. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing copy of the minutes of the meeting of the Agency, including the Resolution contained therein, held on January 23, 2014, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and such resolution set forth 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 23rd day of January, 2014.

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
67 HOWARD STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_,  
to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX  
EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF  
TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH  
THE PROPOSED 67 HOWARD STREET LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the “Enabling

Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 67 Howard Street LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the “Facility”) and (3) the acquisition and installation therein and thereon of certain fixtures, machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the “Negative Declaration”), in which the Planning Board determined that the Project will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by Special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED -

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
67 Howard Street LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 67 Howard Street LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the "Land"), (2) the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the "Facility") and (3) the acquisition and installation therein and thereon of certain fixtures, machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities; (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.

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Katherine Sheehan, Mayor  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany..

The Proposed PILOT Agreement will provide that the Company be granted a fifteen year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land, and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	100%
2	100%
3	100%
4	100%
5	100%
6	75%
7	50%
8	50%
9	50%
10	50%
11	50%
12	50%
13	50%
14	50%
15	50%
16 and thereafter	0%

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, 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.

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Hon. Daniel P. McCoy  
Katherine Sheehan, Mayor  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
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This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

1. **The nature of the Project:** The Project involves the construction of a parking garage facility to be owned and operated by the Company and other directly and indirectly related activities.
2. **The present use of the property:** One (1) vacant parcel of land, which was formerly occupied by a building that was utilized as a commercial/retail facility.
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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding downtown commercial/retail/residential development (including parking facilities), based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to the parking garage facility. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately twenty-five (25) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown commercial development, which is consistent with the downtown development plan of the City of Albany. This development in the downtown area will provide economic growth for the existing business and entertainment facilities located in the downtown, and result in further residential development, which is also consistent with the downtown development plan of the City. Additional benefits created by the Project are described in the Application.

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 will create construction jobs over the approximately one-year construction period generating a payroll of over \$819,393.

The Company has estimated that the Project will create approximately two (2) full-time jobs by the end of the first year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

5. **The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$420,000, sales and use tax; \$68,750, mortgage recording tax; and \$2,153,673, real property taxes.

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**6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

**7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates additional development in the area. In addition it will act to reduce the vacancy rate in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale commercial/retail/residential development projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$6,503,500.

**9. The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

**10. Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

**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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

**12. Anticipated tax revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax saving on to the proposed users at the Project in the form of market monthly parking fees.

**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 promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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

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Alexandra Streznewski, Board President  
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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.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

**APPROVING RESOLUTION  
67 HOWARD STREET LLC PROJECT**

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 67 HOWARD STREET LLC (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of civic, manufacturing



and commercial 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 67 Howard Street LLC, a New York limited liability 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, which Application requested 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 parcel of land containing approximately .69 acres and located at 67 Howard Street (currently Tax Map # 76.33-1-13) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a parking facility to contain approximately 200 parking spaces (with the potential expansion to approximately 300 total parking spaces) (the “Facility”) and (3) the acquisition and installation therein and thereon of certain fixtures, machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a parking facility and to be operated by the Company as a parking facility and other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on October 29, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York

(collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on January 23, 2014 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the City of Albany Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on October 17, 2013 (the "Negative Declaration"), in which the Planning Board determined that the Project will not have a "significant environmental impact on the environment" and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by resolution adopted by the members of the Agency on January 23, 2014 (the "Pilot Deviation Approval Resolution"), the members of the Agency determined to deviate from the Agency's Policy with respect to the Project; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York, (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility and (C) although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located within an empire zone that is considered to be a distressed census tract and therefore is in a "highly distressed area", as that term is defined in Section 854(18) of the Act; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Albany, New York by undertaking the Project in the City of Albany, New York; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Agency would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Agency to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Agency that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Mayor of the City of Albany of the proposed action by the Agency with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on January 23, 2014 (the "Resolution Making Retail Findings"), the Agency (A) found that although the Project Facility appears to

constitute a project where facilities or properties that are primarily used in making retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in an empire zone that is considered to be a distressed census tract and therefore is in a “highly distressed area”, as that term is defined in Section 854(18) of the Act, (B) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by increasing the overall number of permanent, private sector jobs in the State of New York, and (C) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no Financial Assistance would be provided to the Project by the Agency unless and until the Mayor of the City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, pursuant to Section 862(2) of the Act, prior to providing the Financial Assistance to the Project, the Mayor, as chief executive officer of the City of Albany, New York, must confirm the proposed action of the Agency; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the “Additional Thirty-Day Project Report”); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lender with respect to the Project (“the “Lender”), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the “Loan”); and (I) various certificates relating to the Project (the “Closing Documents”);

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

Section 1. All action taken by the Chief Executive Officer of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a “project,” as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of the City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$6,430,321;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) Although the Project may constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Company has represented to the Agency that (1) the Project is located in an empire zone that is considered to be a distressed census tract and therefore is in a “highly distressed area”, as that term is defined in Section 854(18) of the Act, and (2) completion of the Project will serve the public purposes of the Act by increasing the overall number of permanent, private sector jobs in the State of New York;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 6. The Agency is hereby authorized to acquire, reconstruct, renovate and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, reconstruction, renovation and installation are hereby ratified, confirmed and approved; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and

proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Peto	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
40 STEUBEN LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 40 Steuben LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 47,000 square foot building located thereon (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes an “unlisted action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: January 16, 2014.
  - (D) Date of Agency Action: January 23, 2014.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on November 21, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: December 4, 2013.
    - (2) Date Posted: December 4, 2013 on a public bulletin board.
    - (3) Published in the Albany Times Union: December 7, 2013.
    - (4) Date of Public Hearing: December 19, 2013.
    - (5) Location of Public Hearing: offices of the Albany Community Development Agency located at 200 Henry Johnson Boulevard in City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
  - (A) Deviation Letter Mailed: January 13, 2014.

**III. PROPOSED AGENCY ACTION ON JANUARY 23, 2014:**



6. SEQR Resolution: Confirming SEQR Resolution.
7. Commercial/Retail Findings Resolution: Determining Project is a “commercial project”. Retail – located in distressed area.
8. PILOT Deviation Resolution: See 12(B) below for specifics.
9. Approving Resolution: Approving the Project and the proposed financial assistance.
10. Mayor’s Approval: Anticipated – January, 2014.

#### **IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:**

11. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
12. Business Terms:
  - (A) The Agency fee is estimated to be \$49,536 (1% of the Project costs of \$4,953,565 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-20 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$850,000) and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1 - 12	100.0%
13-20	87.5%
21 and thereafter	0%

Beginning in Year 13, the Proposed PILOT Agreement will also provide that the amount of payments in lieu of taxes payable by the Company will be **the greater of** (a) the amount determined in accordance with the above paragraph, **OR** (b) an amount equal to 11.5% of the gross rental revenue generated at the Project Facility.

13. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.
  - (C) Bill of Sale to Agency.
  - (D) Lease Agreement by and between the Company and the Agency.
  - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
14. Proposed Closing Date: February, 2014.
15. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**RESOLUTION CONFIRMING SEQR DETERMINATION  
40 STEUBEN LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE CITY OF  
ALBANY PLANNING BOARD, AS LEAD AGENCY FOR A CERTAIN PROPOSED  
PROJECT FOR 40 STEUBEN LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 40 Steuben LLC, a New York limited liability company (the “Company”), has presented 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 an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 47,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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.

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (1) the Planning Board of the City of Albany, New York (the “Planning Board”) was designated to act as “lead agency” with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on January 16, 2014 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, reconstruction, renovation and installation of the Project Facility will not have a “significant effect on the environment”; and

WHEREAS, the Agency is an “involved agency” with respect to the Project and the Agency now desires to concur in the determination by the Planning Board, as “lead agency” with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate whether the Agency has any information to suggest that the Planning Board was incorrect in determining that the Project will not have a “significant effect on the environment” pursuant to SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Project;

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

Section 1. The Agency has received copies of, and has reviewed, the Application and the Negative Declaration (collectively, the “Reviewed Documents”) and, based upon said Reviewed

Documents, the Agency hereby ratifies and concurs in the designation of the Planning Board as “lead agency” with respect to the Project under SEQRA (as such quoted term is defined in SEQRA).

Section 2. The Agency hereby determines that the Agency has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a “significant effect on the environment” pursuant to the SEQRA and, therefore, that environmental impact statement need be prepared with respect to the Project (as such quoted phrase is used in SEQRA).

Section 3. The member of the Agency are hereby directed to notify the Planning Board of the concurrence by the Agency that the Planning Board shall be the “lead agency” with respect to the Project, and to further indicate to the Planning Board that the Agency has no information to suggest that the Planning Board was incorrect in its determinations contained in the negative declaration.

Section 4. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

EXHIBIT A  
NEGATIVE DECLARATION



**COMMERCIAL/RETAIL FINDINGS RESOLUTION  
40 STEUBEN LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION (A) DETERMINING THAT THE PROPOSED 40 STEUBEN LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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 and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, 40 Steuben LLC, a New York limited liability 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, which Application requested 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 an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 47,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on November 21, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”)

adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on January 23, 2014 (the "SEQR Resolution"), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the "Planning Board") to act as "lead agency" with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on January 16, 2014 (the "Negative Declaration"), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, in Opinion of the State Comptroller Number 85-51, the State Comptroller indicated that the determination whether a project that consists of the construction of an apartment house is a commercial activity within the meaning of the Act is to be made by local officials based upon all of the facts relevant to the proposed project, and that any such determination should take into account the stated purpose of the Act, that is, the promotion of employment opportunities and the prevention of economic deterioration; and

WHEREAS, to aid the Agency in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Agency has reviewed the following (collectively, the "Project Qualification Documents"): (A) the Application, including the attached Cost Benefit Analysis; and (B) a report dated April 2012 entitled "Albany 2030" (the "2030 Plan");

WHEREAS, the Agency has given due consideration to the Project Qualification Documents, and to representations by the Company that although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located within a census tract in the City of Albany which is considered to be a distressed census tract and therefore is in a "highly distressed area", as that term is defined in Section 854(18) of the Act; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Agency would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Agency to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Agency that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Mayor of the City of Albany of the proposed action by the Agency with respect to the Project; and

WHEREAS, having complied with the requirements of SEQRA and Section 859-a of the Act with respect to the Project, the Agency now desires, pursuant to Section 862(2)(c) of the Act, to make its final findings with respect to the Project and its final determination whether to proceed with the Project;

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

Section 1. Based upon an examination of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

A. The Project is located in an area having a mixture of residential, not-for-profit, commercial, retail, and service uses.

B. The 2030 Plan makes the following comments/findings regarding housing in the City of Albany:

- Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse
- Provide and maintain intergenerational life cycle housing options
- Encourage mixed income housing options throughout the City of Albany
- Promote quality affordable housing
- Increase job opportunities for all residents

C. That undertaking the Project is consistent with the 2030 Report and will assist and maintain current and future residential and commercial development and expansion in the neighborhood area.

D. The Company has informed representatives of the Agency that the Project is expected to create approximately three (3) full time permanent, private sector jobs.

E. The Company has informed representatives of the Agency that the Company is not aware of any adverse employment impact caused by the undertaking of the Project.

Section 2. Based upon the foregoing review of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following determinations with respect to the Project:

A. That although the Project does constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located in a "highly distressed area" (as defined in the Act).

B. That (1) the Project Facility will provide necessary infrastructure for area employers and businesses, (2) the completion of the Project Facility will have an impact upon the creation, retention and expansion of employment opportunities in the City of Albany and in the State of New York, and (3) the completion of the Project will assist in promoting employment opportunities and assist in preventing economic deterioration in the City of Albany and in the State of New York.

C. That the acquisition, reconstruction, renovation and installation of the Project Facility is essential to the retention of existing employment and the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in the City of Albany.

D. That the Project constitutes a "commercial" project, within the meaning of the Act.

E. That the undertaking of the Project will serve the public purposes of the Act by preserving and creating permanent private sector jobs in the State of New York.

Section 3. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, and based upon the findings contained in Section 1 above, the Agency hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the

Public Hearing; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 4. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
40 STEUBEN LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM  
TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN  
LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN  
CONNECTION WITH THE PROPOSED 40 STEUBEN LLC PROJECT.**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, 40 Steuben LLC, a New York limited liability 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, which Application requested 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 an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 47,000 square foot building located thereon (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on November 21, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing

Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on January 16, 2014 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated January 13, 2014 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the City and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on January 13, 2014, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency’s uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.



Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the Pilot Deviation Letter attached hereto as Exhibit A.

Section 3. Upon preparation by special counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**

- SEE ATTACHED -

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
21 Lodge Street  
Albany, New York 12207  
Tel: 518-434-2532 ext. 19  
Fax: 518-434-9846

January 13, 2014

Hon. Daniel P. McCoy, Albany County Executive  
Albany County Office Building  
112 State Street, Room 825  
Albany, New York 12207

Marguerite Vanden Wyngaard, Ph. D.  
Superintendent of Schools  
Albany City School District  
1 Academy Park  
Albany, New York 12207

Hon. Katherine Sheehan, Mayor  
City Hall  
Eagle Street  
Albany, New York 12207

Alexandra Streznewski, Board President  
Albany City School District  
1 Academy Park  
Albany, New York 12207

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
40 Steuben LLC Project

Dear Ladies and Gentlemen:

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

On November 21, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 40 Steuben LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 47,000 square foot building located thereon (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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.

The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement

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Alexandra Streznewski, Board President  
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in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency 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"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement will provide that the Company be granted a twenty year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$850,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1 - 12	100.0%
13-20	87.5%
21 and thereafter	0%

Beginning in Year 13, the Proposed PILOT Agreement will also provide that the amount of payments in lieu of taxes payable by the Company will be the greater of (A) the amount determined in accordance with the above paragraph, or (B) an amount equal to 11.5% of the gross rental revenue generated at the Project Facility.

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 a 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 January 23, 2014 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on January 23, 2014, 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.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires written notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency's Policy).

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

**1. The nature of the Project:** The Project involves the reconstruction and renovation of an existing building to be owned by the Company and leased to various tenants for commercial, retail and/or residential uses and other directly and indirectly related activities.

**2. The present use of the property:** One (1) parcel of land together with an existing building located thereon. The building is currently essentially vacant and was formerly utilized as a retail and office building complex.

**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:** At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average to poor. The area is strategically targeted for adding downtown residential development, based on the presence of vacant or underutilized buildings to be converted, as well as the emerging residential projects that are occurring proximate to this building. This will create a neighborhood district, a goal of the City of Albany's economic development strategy; Capitalize Albany.

The Project will create approximately fifteen (15) construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown housing, which is consistent with the downtown development plan of the City of Albany. New residents in the downtown area will provide economic growth for the business and entertainment facilities located in the downtown, and result in further residential development. Additional benefits created by the Project are described in the Application.

**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 will create construction jobs over the approximately one (1) year construction period generating a payroll of over \$585,000.

The Company has estimated that the Project will create approximately 5.50 full-time jobs by the end of the second year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown.

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$28,000, sales and use tax; \$46,500, mortgage recording tax; and \$1,140,874, real property taxes.

**6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Project PILOT Agreement is positive as development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

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Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
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7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates rental housing in the area. In addition it will act to reduce the vacancy rate in downtown and increase the number of market rent residential projects in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale residential redevelopment projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$4,953,565.

9. **The effect of the Proposed Pilot Agreement on the environment:** It is likely that the Project will not have a significant effect on the environment.

10. **Project Timing:** It is anticipated that the Project will be accomplished in a timely fashion.

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:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. **Anticipated tax Revenues:** The Company has requested a deviation from the Policy in order to pass the real property tax savings on to the proposed tenants at the Project in the form of market lease payments.

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 promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption 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.

012001.00133 Business 12349096v2

Hon. Daniel P. McCoy  
Hon. Katherine Sheehan, Mayor  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
January 13, 2014  
Page 5

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

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

012001.00133 Business 12349096v2



**APPROVING RESOLUTION  
40 STEUBEN LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 40  
STEUBEN LLC (THE "COMPANY").**

WHEREAS, City of Albany 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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

WHEREAS, 40 Steuben LLC, a New York limited liability 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, which Application requested 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 an approximate 0.18 acre parcel of land located at 58 North Pearl Street (Tax Map # 76.34-2-18) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 47,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (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, by resolution adopted by the members of the Agency on November 21, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on a public bulletin board located at the Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on January 16, 2014 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, by further resolution adopted by the members of the Agency on January 23, 2014 (the “Commercial/Retail Finding Resolution”), the Agency (A) determined that the Project constituted a “commercial project” within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York, (D) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on January 23, 2014 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s Policy with respect to the Project; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by

the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (F) a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (G) a New York State Department of Taxation and Finance form entitled "IDA Appointment of Project Operator or Agency for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report") and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the "Additional Thirty-Day Project Report"); (H) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the "Mortgage") from the Agency and the Company to the Company's lender with respect to the Project ("the "Lender"), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the "Loan"); and (I) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Chief Executive Officer of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project," as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$4,950,000;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) Although the Project constitutes a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance with respect to the Project pursuant to Section 862(2)(a) of the Act because the Project is located in a distressed census tract and therefore is in a highly distressed area;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement or sell the Project Facility to the Company pursuant to the Installment Sale Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 6. The Agency is hereby authorized to acquire, reconstruct, renovate and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, reconstruction, renovation and installation are hereby ratified, confirmed and approved; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York,

shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 9. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23<sup>rd</sup> day of January, 2014.

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(Assistant) Secretary

(SEAL)

**RESOLUTION AUTHORIZING ADDITIONAL FINANCING – JANUARY 2014  
COLUMBIA 677, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.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:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**THE FOLLOWING STAFF MEMBERS OF THE AGENCY WERE ALSO PRESENT:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_

**RESOLUTION AUTHORIZING THE EXECUTION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE AND RELATED DOCUMENTS IN CONNECTION WITH THE COLUMBIA 677, LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing,



improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation 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, Columbia 677, LLC (the “Company”) has previously submitted an application to the Agency requesting financial assistance in connection with a project (“Project”) consisting of: (A) (1) the acquisition of an interest in an approximately 0.6 acre parcel of real estate located at 677 Broadway, City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of an office building containing approximately 180,000 square feet (the “Facility”), and (3) the acquisition and installation in the Facility and on and under the Land, of certain fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively, referred to as the “Project Facility”); (B) the granting of certain “financial assistance” (within meaning of Section 854(14) of the Act) with respect to the foregoing, consisting of potential exemptions from certain sales taxes and mortgage recording taxes and real property taxes (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. The Project Facility has been leased by the Agency to the Company pursuant to the provisions of a certain sub-lease agreement dated as of May 1, 2004 (the “Sub-Lease Agreement”); and

WHEREAS, the Agency, by resolution adopted on February 19, 2004 (the “Prior Approving Resolution”), determined to enter into certain documents to provide for the undertaking of the Project, including, but not limited to, the Sub-Lease Agreement and a payment in lieu of tax agreement dated as of May 1, 2004 (the “Prior Payment in Lieu of Tax Agreement”); and

WHEREAS, by letter dated January 6, 2014 (the “Request”), which Request is attached hereto as Exhibit A, the Agency was informed that the Company will be obtaining an additional loan from Liberty Bank (the “Holder”) (the “New Loan”), which New Loan will be secured by a mortgage, assignment of leases and rents and a security agreement on the Project Facility; and

WHEREAS, pursuant to the Request, as the Agency has a leasehold and license interest in the Land, the Agency is being asked to enter into a mortgage, an assignment of leases and rents, a security agreement and any related documents (collectively, the “New Loan Documents”); and

WHEREAS, in connection with the execution and delivery of the New Loan Documents, the Agency will not be providing any benefits to the Company via exemption from the mortgage recording tax; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Request; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Request in order to make a determination as to whether the Request is subject to SEQRA, and it appears that the Request constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Request, the Agency hereby makes the following determinations:

(A) The Request constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Request.

(B) The Agency will **not** be granting any mortgage recording tax exemption relating to the Request.

(C) That since compliance by the Agency with the Request will not result in the Agency providing more than \$100,000 of "financial assistance" (as such quoted term is defined in the Act) to the Company, Section 859-a of the Act does not require a public hearing to be held with respect to the Request.

Section 2. Subject to (A) approval of the form of the New Loan Documents, by Agency counsel and Special Agency counsel, (B) receipt by the Chief Executive Officer of (1) the Agency's administrative fee relating to the Request, if any, and (2) counsel's fees relating to the Request, and (C) the following additional conditions: \_\_\_\_\_, the Agency hereby authorizes the execution by the Agency of the New Loan Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the New Loan Documents to the Company, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the New Loan Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the New Loan Documents binding upon the Agency.

Section 5. 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:

Anthony J. Ferrara	VOTING
Susan Pedo	VOTING
Lee Eck	VOTING
Tracy Metzger	VOTING
C. Anthony Owens	VOTING
Hon. Darius Shahinfar	VOTING

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on January 23, 2014 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 set forth 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 \_\_\_\_ day of January, 2014.

\_\_\_\_\_  
(Assistant) Secretary

(SEAL)

EXHIBIT A

REQUEST

[Attached]

# Columbia Development Companies

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302 Washington Avenue Extension  
Albany, New York 12203

Office: (518) 862-9133  
Fax: (518) 862-9443

Debra J. Lambek  
Counsel  
(518) 862-9133 Ext. 4225  
[djambek@columbiadev.com](mailto:djambek@columbiadev.com)

January 6, 2014

Via Email to [BChevalier@capitalizealbany.com](mailto:BChevalier@capitalizealbany.com)

Mr. Brad Chevalier  
City of Albany Industrial Development Agency  
c/o Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

Re: Columbia 677, LLC ("Company") with  
City of Albany Industrial Development Agency ("Agency")  
Project Location: 677 Broadway, Albany, NY

Dear Brad:

The Company is in the process of refinancing the above project with Liberty Bank. As a result of the existing PILOT Agreement with the Agency, we require the Agency to execute the mortgage agreement in connection with the loan. We are not requesting any additional financial assistance from the Agency.

Please let me know what else you require in order to proceed. Thank you.

Very truly yours,

COLUMBIA DEVELOPMENT COMPANIES



Debra J. Lambek  
Counsel

DJL\mml

cc: A Joseph Scott, Esq. (Via Email to [ascott@hodgsonruss.com](mailto:ascott@hodgsonruss.com))

**PUBLIC HEARING RESOLUTION  
TRICENTENNIAL PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.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:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**THE FOLLOWING STAFF MEMBERS OF THE AGENCY WERE ALSO PRESENT:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF TRICENTENNIAL PROPERTIES LLC.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter 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, in January, 2014, Tricentennial Properties LLC, a New York limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested 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 parcel of land containing approximately .36 acre and located on the CNSE Campus off Fuller Road and Tricentennial Drive in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a new building to contain approximately 25,000 square feet of space (the “Facility”) and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to the Tech Valley High School for interdisciplinary academic uses and other directly and indirectly related activities; (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, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

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

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views



presented at such Public Hearing (the “Report”) to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. 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:

Anthony J. Ferrara	VOTING
Susan Pedo	VOTING
Lee Eck	VOTING
Tracy Metzger	VOTING
C. Anthony Owens	VOTING
Hon. Darius Shahinfar	VOTING

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 \_\_\_\_ day of January, 2014.

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(Assistant) Secretary

(SEAL)

**SEQR RESOLUTION  
TRICENTENNIAL PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. Resolution No. 0114-\_\_

**RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF NEGATIVE DECLARATION BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF TRICENTENNIAL PROPERTIES LLC.**

WHEREAS, City of Albany 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

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, in January, 2014, Tricentennial Properties LLC, a New York limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested 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 parcel of land containing approximately .36 acre and located on the CNSE Campus off Fuller Road and Tricentennial Drive in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a new building to contain approximately 25,000 square feet of space (the “Facility”) and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to the Tech Valley High School for interdisciplinary academic uses and other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency, as an “involved agency”, consents to the University of Albany, State University of New York (the “SUNY Albany”) serving as “lead agency” with respect to the Project (as such quoted terms are defined under SEQRA); and

WHEREAS, all other state and local governmental entities known by SUNY Albany to be an “involved agency” with respect to the Project have either responded that they agree that SUNY Albany will act as “lead agency” with respect to the Project, or have failed to respond; and

WHEREAS, SUNY Albany on November 1, 2010 issued a negative declaration determining that the Project would not have a significant environmental impact on the environment (the “Negative Declaration”);

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

Section 1. For purposes of establishing a “lead agency” with respect to the Project and determining whether the Project may have a “significant effect on the environment” (as such quoted terms

are defined under SEQRA), the Agency hereby concurs in the determination that SUNY Albany be designated as “lead agency” with respect to the Project.

Section 2. The Agency hereby acknowledges receipt of the Negative Declaration relating to the Project.

Section 3. 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:

Anthony J. Ferrara	VOTING	_____
Susan Pedo	VOTING	_____
Lee Eck	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany 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 January 23, 2014 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 23rd day of January, 2014.

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(Assistant) Secretary

(SEAL)

**AGENT RESOLUTION  
TRICENTENNIAL PROPERTIES LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 p.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:**

Anthony J. Ferrara	Chairman
Tracy Metzger	Vice Chairman
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**THE FOLLOWING STAFF MEMBERS OF THE AGENCY WERE ALSO PRESENT:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Andrew Corcione	Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_

**RESOLUTION APPROVING AN INTERIM APPOINTMENT OF TRICENTENNIAL PROPERTIES LLC AS AGENT OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY FOR THE PURPOSE OF UNDERTAKING AND COMPLETING A PROJECT FOR THE BENEFIT OF TRICENTENNIAL PROPERTIES LLC.**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 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 amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred

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

WHEREAS, in January, 2014, Tricentennial Properties LLC, a New York limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested 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 parcel of land containing approximately .36 acre and located on the CNSE Campus off Fuller Road and Tricentennial Drive in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a new building to contain approximately 25,000 square feet of space (the “Facility”) and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to the Tech Valley High School for interdisciplinary academic uses and other directly and indirectly related activities; (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, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on January 23, 2014 (the “SEQR Resolution”), the Agency (A) concurred in the determination by the University of Albany, State University of New York (the “SUNY Albany”) to act as “lead agency” with respect to the Project and (B) indicated that the Agency had no information to suggest that the SUNY Albany was incorrect in issuing a negative declaration (the “Negative Declaration”) determining that the Project will not have a “significant effect on the environment” pursuant to SEQRA; and

WHEREAS, although the lease agreement or installment sale agreement and related documentation (collectively, the “Project Documents”) have not yet been prepared, the Company has indicated to the Agency that the Company desires to commence the Project prior to completion of the Project Documents between the Agency and the Company related to the Project; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance of more than one hundred thousand dollars (\$100,000) to any project, the Agency must hold a public hearing with respect to the project and the proposed financial assistance being contemplated by the Agency; and



WHEREAS, in order to preserve the sales tax exemption which forms a major portion of the Financial Assistance, said portion of the Financial Assistance not to exceed \$99,000 prior to any approval of the Project by the Agency subsequent to the date of the Public Hearing, the Agency now desires to temporarily formalize its understandings with the Company regarding the undertaking and completion of the Project by the Company as agent of the Agency;

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

Section 1. In order to preserve the sales tax exemption which forms a major part of the Financial Assistance, said portion of the Financial Assistance not to exceed \$99,000 prior to the Public Hearing, the Company, together with any contractor identified by the Company and approved by the Agency, is hereby temporarily appointed the true and lawful agent of the Agency (A) to undertake and complete the acquisition, construction and installation of the Project Facility, as the stated agent for the Agency, (B) to make, execute, acknowledge and deliver all contracts, orders, receipts, writings and instruments necessary in connection therewith, and in general to do all things as may be requisite or proper for undertaking and completing the Project with the same powers and the same validity as the Agency could do if acting in its own behalf and (C) to pay all fees, costs and expenses incurred in the acquisition, construction and installation of the Project Facility from its own funds, said temporary appointment being intended by the Agency to be retroactive to **January 23, 2014** and being intended to last until the earlier to occur of (1) the execution and delivery of the Project Documents or (2) **April 15, 2014** (or such later date as may be agreed to in writing by the Agency), said temporary appointment to be subject to the following conditions:

(1) The Company will, on behalf of the Agency, undertake and complete the acquisition, construction and installation of the Project Facility in accordance with the plans of the Company described in the Application (the "Plans").

(2) The Company will not revise the Plans in any material respect without the prior written consent of the Agency, which consent may not be unreasonably withheld or delayed but may be subject to such reasonable conditions as the Agency may deem appropriate.

(3) Title to all materials, equipment, machinery and other items of property intended to be incorporated in or installed as part of the Project Facility shall vest in the Agency immediately upon delivery to the Project Facility site, at which time such materials, machinery and other items of property shall become the sole property of the Agency. The Company shall execute, deliver and record or file all instruments necessary or appropriate to so vest title in the Agency and shall take all action necessary or appropriate to protect such title against claims of any third persons. Title to the Project shall be conveyed by the Agency to the Company pursuant to the provisions of the Project Documents.

(4) All materials, equipment, machinery and other items of personal property intended to be incorporated in or installed as part of the Project Facility shall be ordered and purchased by the Company, as agent of the Agency, and invoices therefore shall be directed to the Company, as agent of the Agency. The Agency hereby appoints the Company as agent of the Agency to make such purchases of said materials, equipment, machinery and other items of personal property; provided, however, that NO SUCH CONTRACT SHALL RESULT IN THE ASSUMPTION BY THE AGENCY OF ANY OBLIGATION TO PAY ANY COSTS AND EXPENSES, and the Company shall be solely liable for and shall agree to pay all funds necessary to make all payments required under such contracts.

(5) The Company shall indemnify, defend and hold the Agency (and its members, officers, agents, employees and servants) harmless from all claims and liabilities for labor, services, materials and supplies, including equipment, ordered or used in connection with the undertaking and completion of the Project (including any expenses incurred by the Agency and its members, officers, agents, employees and servants, in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether or not such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to the authority conferred upon it by this Resolution.

(6) The Company shall indemnify, defend and hold the Agency (and its members, officers, agents, employees and servants) harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever in relation to the Project, including any expenses incurred by the Agency (and its members, officer, agents, employees and servants) in defending any claims, suits or actions which may result as a result of the foregoing.

(7) The Company shall give or cause to be given all notices and comply or cause compliance with all laws, ordinances, rules, regulations and requirements of all governmental agencies and public authorities applying to or affecting the undertaking and completion of the Project (the applicability of all such laws, ordinances, rules, regulations and requirements shall be determined both as if the Agency were deemed to be the owner of the Project Facility and as if the Company and not the Agency were deemed to be the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents, employees and servants harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the undertaking and completion of the Project shall be procured promptly by the Company.

(8) The Company shall agree, and by executing this Resolution does agree, that as agent for the Agency the Company will comply with all laws applicable to the Agency in connection with the undertaking and completion of the Project by the Agency (the applicability of all such laws, ordinances, rules, regulations and requirements shall be determined both as if the Agency were deemed to be the owner of the Project Facility and as if the Company and not the Agency were deemed to be the owner of the Project Facility).

(9) The Company is hereby authorized to advance such funds as may be necessary to acquire, construct and install the Project Facility as agent of the Agency. Any costs or expenses incurred by the Agency or by the Company as agent of the Agency with respect to the Project shall be paid by the Company.

(10) The Company shall supply the Chairman of the Agency with a certificate of insurance coverage evidencing (a) a general liability insurance policy maintained by the Company as insured and naming the Agency as additional insured and providing coverage in the minimum amounts of ONE MILLION DOLLARS (\$1,000,000) per occurrence and (b) an excess liability insurance policy maintained by the Company as insured and naming the Agency as additional insured and providing coverage in the minimum amounts of FIVE MILLION DOLLARS (\$5,000,000), which insurance policies shall (i) also name the members, officers, agents, employees and servants of the Agency as additional insureds, with respect to the Agency's liability arising out of the operations of the Company in connection with the Project Facility, and (ii) also provide contractual liability insurance coverage insuring the Company's obligation to indemnify, defend and save harmless the Agency and its members, officers, agents, employees and servants, pursuant to paragraphs (5) and (6) of Section 1 of this resolution.

(11) The Company shall supply the Chairman or Vice Chairman of the Agency with policies, or certificates evidencing such policies, of workers' compensation insurance, disability benefits insurance and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company or the Agency who are located at or assigned to work on the Project.

(12) The obligations and agreements of the Agency contained herein shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent (other than the Company), employee or servant of the Agency in his individual capacity, and the members, officers, agents (other than the Company), employees and servants of the Agency shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby.

(13) The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation 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, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project (excepting funds payable pursuant to paragraphs (5), (6) and (15) of this Section 1 of this Resolution).

(14) Notwithstanding any provision of this Resolution to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (a) the Agency shall have been requested to do so in writing by the Company and (b) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any member, officer, agent (other than the Company), employee or servant of the Agency) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability and for the reimbursement of all such fees, expenses and other costs.

(15) Payment by the Company of all fees and expenses incurred by the Agency with respect to the Project, including (A) the Agency's administrative fee with respect to the Project and (B) the fees and expenses of Agency counsel and/or special Agency counsel related to the Project.

(16) (A) The Company acknowledges receipt of notice of Section 874(8) of the Act, which requires that the Company as agent of the Agency must annually file a statement with the New York State Department of Taxation and Finance (the "Annual Sales Tax Report"), on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance, of the value of all sales tax exemptions claimed by the Company under the authority granted by the Agency. Pursuant to Section 874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be removal of authority to act as agent of the Agency. Additionally, if the Company shall fail to comply with the requirements of this subsection (16), the Company shall immediately cease to be the agent of the Agency in connection with the Project. A current sample form of such Annual Sales Tax Report required to be completed by the Company pursuant to this Resolution is attached hereto as Exhibit A. For future filings of the Annual Sales Tax Report, the Company is responsible for obtaining from the New York State Department of Taxation and Finance any updated or revised versions of such Annual Sales Tax Report.

(B) The Company agrees to furnish to the Agency a copy of each such Annual Sales Tax Report submitted to the New York State Department of Taxation and Finance by the Company pursuant to Section 874(8) of the Act.

(C) The Company agrees to execute and deliver a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by Section 875 of the Act, regarding the recovery or recapture of certain sales and use taxes.

(17) The Company acknowledges receipt of notice of Section 874(9) of the Act, which requires that the Company as the agent must file within thirty (30) days of the date of this Resolution a statement with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the Commissioner of Taxation and Finance (the "Thirty-Day Sales Tax Report"), identifying the Company as agent of the Agency, setting forth the taxpayer identification number of the Company, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease. A current sample form of such Thirty-Day Sales Tax Report required to be completed by the Company pursuant to this Resolution is attached hereto as Exhibit B. For future filings of the Thirty-Day Sales Tax Report, the Company is responsible for obtaining from the New York State Department of Taxation and Finance any updated or revised versions of such Thirty-Day Sales Tax Report.

(18) The foregoing appointment of the Company as agent of the Agency is subject to the condition that, in the event that Project Documents are not executed and delivered by the Agency and the Company on or before **April 15, 2014** (or such later date as may be agreed to in writing by the Agency), the foregoing appointment of the Company as agent of the Agency may be revoked by the Agency, retroactive to **January 23, 2014**, and thereupon the Agency shall notify the New York State Department of Taxation and Finance of such revocation.

(19) The Company acknowledges receipt of notice of Section 858-b of the Act, which requires that the Company list new employment opportunities created as a result of the Project with the following entities (hereinafter, the "JTPA Entities"): (a) the New York State Department of Labor Community Services Division and (b) the administrative entity of the service delivery area created by the federal job training partnership act (P.L. No. 97-300) in which the project is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)). The Company agrees, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the JTPA Entities.

(20) In the event that the Company requests the Agency to appoint a contractor with respect to the Project as agent of the Agency, the conditions noted in this resolution shall also apply to such contractor.

(21) Prior to the date of any approval of the Project by the Agency subsequent to the date of the Public Hearing, the Financial Assistance to be granted by the Agency to the Company with respect to the Project Facility shall not exceed \$99,000.

(22) The following additional conditions: \_\_\_\_\_.

Section 2. This Resolution shall take effect upon the date that all of the following shall have occurred: (A) the Company shall have accepted the provisions of this Resolution; (B) the Company shall have delivered two copies of this Resolution, with the acceptance clauses thereof fully executed by the Company, to the Chairman or Vice Chairman of the Agency; (C) the Company shall have obtained the insurance policies required by paragraphs (10) and (11) of Section 1 hereof and shall have delivered evidence thereof to the Chairman or Vice Chairman of the Agency, such evidence to be in such form as the Chairman or the Vice Chairman of the Agency shall deem appropriate; (D) the Company shall have paid the Agency's administrative fee with respect to Project; and (E) the Agency shall deliver to the Company a copy of this Resolution with the receipt and acknowledgment executed by the Agency.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING
Susan Pede	VOTING
Lee Eck	VOTING
Tracy Metzger	VOTING
C. Anthony Owens	VOTING
Hon. Darius Shahinfar	VOTING

The foregoing Resolution was thereupon declared duly adopted.

### ACCEPTANCE

The Company hereby accepts the appointment to act as agent of the Agency in connection with the Project and the Company accepts the provisions of this Resolution, including the conditions contained in Section 1 of this Resolution, and agrees to comply with such provisions and conditions.

IN WITNESS WHEREOF, the Company has caused this Acceptance to be executed in its name as of this \_\_\_\_ day of January, 2014.

TRICENTENNIAL PROPERTIES LLC

BY: \_\_\_\_\_  
Authorized Officer

### RECEIPT

The undersigned hereby acknowledges receipt of the items called for in Section 2 of this Resolution and acknowledges that therefore this Resolution is in full force and effect.

CITY OF ALBANY INDUSTRIAL  
DEVELOPMENT AGENCY

BY: \_\_\_\_\_  
(Vice) Chairman

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on January 23, 2014 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 set forth 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 23<sup>rd</sup> day of January, 2014.

\_\_\_\_\_  
(Assistant) Secretary

(SEAL)



EXHIBIT A  
ANNUAL SALES TAX REPORT

**Annual Report of Sales and Use Tax Exemptions  
Claimed by Agent/Project Operator of  
Industrial Development Agency/Authority (IDA)**

**ST-340**  
(3/11)

For Period Ending December 31, \_\_\_\_\_ (enter year)

**Project information**

Name of IDA agent/project operator	Federal employer identification number (FEIN)	
Street address	Telephone number	
City	State	ZIP code
Name of IDA agent/project operator's authorized representative, if any	Title	
Street address	Telephone number	
City	State	ZIP code
Name of IDA		
Name of project		
Street address of project site		
City	State	ZIP code

- 1 Project purpose (mark an X in the appropriate box):**
- ☐ Services      ☐ Construction      ☐ Agriculture, forestry, fishing  
☐ Wholesale trade      ☐ Retail trade      ☐ Finance, insurance or real estate  
☐ Transportation, communication, electric, gas, or sanitary services  
☐ Manufacturing      ☐ Other (specify) \_\_\_\_\_
- 2 Date project began (mm/dd/yy):** \_\_\_\_\_
- 3 Beginning date of construction or installation (mm/dd/yy; see instructions):** \_\_\_\_\_ ; ☐ actual ☐ expected
- 4 Completion date of construction phase of project (mm/dd/yy; see instructions):** \_\_\_\_\_ ; ☐ actual ☐ expected
- 5 Completion date of project (mm/dd/yy; see instructions):** \_\_\_\_\_ ; ☐ actual ☐ expected
- 6 Duration of project (actual or expected; years/months):** \_\_\_\_\_

<b>7 Total sales and use tax exemptions (actual tax savings; NOT total purchases) .....</b>	<b>7</b>	<b>\$</b>
---------------------------------------------------------------------------------------------	----------	-----------

**Certification:** I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer, employee, or authorized representative signing for the IDA agent/project operator	Title of person signing
Signature	Date

**Failure to annually file a complete report may result in the removal of authority to act as an IDA agent/project operator.**

Mail completed report to: **NYS Tax Department, IDA Unit, W A Harriman Campus, Albany NY 12227.**

## Instructions

### General information

#### Who must file?

The General Municipal Law (GML) and the Public Authorities Law require the agent/project operator (also known as *project occupant*) of an Industrial Development Agency or Authority (IDA) to file an annual report with the Tax Department. The agent/project operator required to file this report is the person **directly** appointed by the IDA to act for and to represent the IDA for the project. The agent/project operator is ordinarily the one for whom the IDA project was created.

There is usually only one agent/project operator directly appointed by the IDA for an IDA project. However, if the IDA directly appoints multiple agents/project operators, each agent/project operator must file this form (unless they are related corporations).

Only the agent/project operator(s) directly appointed by the IDA must file Form ST-340. Contractors, subcontractors, consultants, or agents appointed by the agent/project operator(s) should **not** themselves file Form ST-340. However, the agent/project operator(s) must include on Form ST-340 information obtained from such contractors, subcontractors, consultants, and agents, as described below.

#### What must be reported?

The report must show the **total value of all state and local sales and use taxes exempted** during the calendar year, as a result of the project's designation as an IDA project. This includes:

- the value of the exemptions obtained by the agent/project operator; and
- the value of the exemptions obtained by your contractors, subcontractors, consultants, and others, whether or not appointed as agents of the IDA.

The report requires only the **total combined** exemptions obtained by the above people. A break down of the total is not required. However, since the report must include the value of the exemptions they obtained, the agent/project operator must keep records of the amounts others report to the agent/project operator.

It is important that the agent/project operator make it clear to the contractors, subcontractors, consultants, and others that they must keep accurate tax information and have it available so that the agent/project operator can comply with the annual reporting requirements.

Do not include in this report the amount of any sales and use tax exemptions arising out of other provisions of the Tax Law (for example, manufacturer's production equipment exemption, research and development exemption, or contractor's exemption for tangible personal property incorporated into a project of an exempt organization).

See instructions below for additional information required.

#### When is the report due?

You must file Form ST-340 on a calendar-year basis. It is due by the last day of February of the following year. The reporting requirement applies to IDA projects started on or after July 21, 1993.

### Project information

At the top of the form, identify the reporting period by entering the year in the space provided. If an address is required, always include the ZIP code.

#### Name of IDA agent/project operator

Enter the name, address, federal employer identification number (FEIN), and telephone number of the IDA agent/project operator.

#### Name of IDA agent/project operator's authorized representative

Enter the name, address, title (for example, attorney or accountant), and telephone number of the individual authorized by the IDA agent/project operator to submit this report.

#### Name of IDA

Enter the name and address of the IDA. If more than one IDA is involved in a particular project, the IDA agent/project operator must file a separate report for the tax exemptions attributable to each IDA.

#### Name of project

Enter the name of the project and the address of the project site. If the IDA agent is involved in more than one project, a separate report must be filed by the IDA agent/project operator for each project, even if authorized by the same IDA.

### Line instructions

**Line 1 — Project purpose** — Check the box that identifies the purpose of the project. If you check *Other*, please be specific in identifying its purpose.

**Line 2** — Enter the date the project started (this means the earliest of the date of any bond or inducement resolution, the execution of any lease, or any bond issuance). Include month, day, and year.

**Line 3** — Enter the date on which you, or your general contractor or subcontractor, actually began, or expect to begin, construction or installation on the project. If the project does not involve any construction, enter **Does not apply**.

**Line 4** — Enter the date the construction phase of the project was completed. If it has not been completed by the end of the reporting period, enter the date you expect to complete this phase of the project.

**Line 5** — Enter the date on which installation, lease, or rental of property (for example, machinery or computers) on the project ended. If the project was not completed by the end of the reporting period, enter the date the project is expected to be completed.

**Line 6** — Enter the total number of years and months from the project's inception to its completion or expected completion.

**Line 7** — Enter the total amount of New York State and local sales and compensating use taxes exempted during the reporting period (if none, enter "0") as a result of the project's receipt of IDA financial assistance. This includes exemptions obtained at the time of purchase as well as through a refund or credit of tax paid. Include the sales and use taxes exempted on purchases of property or services incorporated into or used on the exempt project. This includes the taxes exempted on purchases made by or on behalf of the agent/project operator, the general contractor for the project, and any subcontractors, consultants, or others. Do **not** enter total purchases on line 7.

### Signature area

Enter the name and title of the person signing on behalf of the IDA agent/project operator (for example, the IDA agent/project operator's officer, employee, or other authorized representative). The IDA agent/project operator's officer, employee, or authorized representative must sign the report. Enter the date signed.

Mail completed report to: **NYS Tax Department, IDA Unit, Bldg 8 Rm 738, W A Harriman Campus, Albany NY 12227.**

### Need help?

 **Telephone assistance** is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.  
Business tax information: 1 800 972-1233  
Forms and publications: 1 800 462-8100  
From areas outside the U.S. and outside Canada: (518) 485-6800  
Fax-on-demand forms: 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8 a.m. to 5:55 p.m., eastern time).



**Internet access:** [www.tax.state.ny.us](http://www.tax.state.ny.us)



**Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.



**If you need to write,** address your letter to: NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.

### Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

## EXHIBIT B

# THIRTY-DAY SALES TAX REPORT



New York State Department of Taxation and Finance

## IDA Appointment of Project Operator or Agent For Sales Tax Purposes

**ST-60**  
(4/13)

The industrial development agency or authority (IDA) must submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

**For IDA use only**

Name of IDA		IDA project number (use OSC numbering system for projects after 1998)	
Street address		Telephone number ( )	
City		State	ZIP code
Name of IDA project operator or agent	Mark an X in the box if directly appointed by the IDA: <input type="checkbox"/>	Employer identification or social security number	
Street address	Telephone number ( )	Primary operator or agent? <input type="checkbox"/> Yes <input type="checkbox"/> No	
City	State	ZIP code	
Name of project	Purpose of project (see instructions)		
Street address of project site			
City			
State			
ZIP code			
Description of goods and services intended to be exempted from sales and use taxes			

Date project operator or agent appointed (mm/dd/yy)	Date project operator or agent status ends (mm/dd/yy)	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax:		Estimated value of New York State and local sales and use tax exemption provided:

**Certification:** I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA	Print title
Signature	Date
	Telephone number ( )

### Instructions

#### Filing requirements

An IDA must file this form within 30 days of the date the IDA appoints any project operator or other person as agent of the IDA, for purposes of extending any sales and compensating use tax exemptions.

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA need not file this form if the IDA does not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, the IDA must, within 30 days of the change, file a new form with the new information.

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA must, within 30 days, send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. It should attach to the letter a copy of the form it originally filed. The IDA need not send a letter for a form that is not valid merely because the "Completion date of project" has passed.

#### Purpose of project

For Purpose of project, enter one of the following:

- Services
- Agriculture, forestry, fishing
- Finance, insurance, real estate
- Transportation, communication, electric, gas, sanitary services
- Construction
- Wholesale trade
- Retail trade
- Manufacturing
- Other (specify)

#### Mailing instructions

Mail completed form to:

**NYS TAX DEPARTMENT  
IDA UNIT  
W A HARRIMAN CAMPUS  
ALBANY NY 12227**

#### Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

#### Need help?



Internet access: **www.tax.ny.gov**  
(for information, forms, and publications)



**Sales Tax Information Center:** (518) 485-2889  
To order forms and publications: (518) 457-5431



**Text Telephone (TTY) Hotline**  
(for persons with hearing and speech disabilities using a TTY): (518) 485-5082



January 17, 2014

**Via Email to [yevolim@ci.albany.ny.us](mailto:yevolim@ci.albany.ny.us)**

Mr. Michael Yevoli, Executive Director  
City of Albany Industrial Development Agency  
21 Lodge Street  
Albany, New York 12207

Re: Tech Valley High School  
CNSE Campus off Fuller Road and Tricentennial Drive

Dear Mr. Yevoli:

Tech Valley High School ("TVHS") is currently located at the University of Albany, East Campus, DB-Wing, 9 University Place, Rensselaer, New York 12144. TVHS has determined to relocate its facility to a more permanent setting at the College of Nanoscale Science and Engineering ("CNSE") campus and next to the State University of New York at Albany ("SUNY"). TVHS has signed a lease with Fuller Road Management Corporation with respect to its new space.

As some background information, TVHS is a regional public high school for students in grades 9 through 12. The school has a focus on STEM education (Science, Technology, Engineering, and Mathematics) while continuing to provide a well-rounded education. TVHS currently draws students from 40 public school districts in 7 counties and is jointly operated by Capital Region and Questar III BOCES. The school teaches project-based learning in collaboration with business and higher education settings that show students the relevancy of what they are learning. TVHS operates through partnerships among public schools, higher education, business, labor, and government. One of the goals of the school is to create a pipeline to prepare students as future employees for Tech Valley business and industry. There is no better way to accomplish this than to locate on the CNSE campus.

This year the school has 120 students and 20 teachers/administrators. It is estimated that an additional 40 students will enroll bringing the total enrollment to 160. In addition, with the move to the CNSE campus, it is anticipated TVHS will add 6 additional employees consisting of three (3) teachers, two (2) educators delivering professional development to other educators in the region, and one (1) administrative assistant position.

If you require additional information or have any questions, please let me know. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel Liebert".

Daniel Liebert  
Principal and Chief Academic Officer  
Tech Valley High School

cc: A. Joseph Scott, Esq. (Via Email to [ascott@hodgsonruss.com](mailto:ascott@hodgsonruss.com))  
Bradley Chevalier, Capitalize Albany (Via Email to [bchevalier@capitalizealbany.com](mailto:bchevalier@capitalizealbany.com))

## **Debra J. Lambek, Esq.**

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302 Washington Avenue Extension  
Albany, New York 12203

Office: (518) 862-9133  
Fax: (518) 862-9443

Debra J. Lambek  
Counsel  
(518) 862-9133 Ext. 4225  
[dlambek@columbiadev.com](mailto:dlambek@columbiadev.com)

January 17, 2014

**Via Email to [yevolim@ci.albany.ny.us](mailto:yevolim@ci.albany.ny.us)**

Mr. Michael Yevoli, Executive Director  
City of Albany Industrial Development Agency  
21 Lodge Street  
Albany, New York 12207

Re: Tricentennial Properties LLC ("Company")  
with City of Albany Industrial Development Agency ("Agency")  
CNSE Campus off Fuller Road and Tricentennial Drive

Dear Michael:

The Company submitted an application for financial assistance to the Agency with respect to the construction of a new Tech Valley High School facility consisting of +/- 25,000 square foot ("Facility"). The Facility will be located on an approximately .36 acre parcel of land located on the CNSE campus ("Land"). The fee interest in the land is currently owned by the State University of New York at Albany ("SUNY"). SUNY has entered into a ground lease with Fuller Road Management Corporation ("FRMC") for the Land. Fuller Road Management Corporation is a not for profit corporation organized for the purpose of taking leasehold title to land at CNSE and developing various projects and buildings on the CNSE campus. The Land is currently tax exempt and no real property taxes are paid thereon.

Tech Valley High School requires the Facility to be open for the 2014/2015 school year. In order to meet this deadline, the construction of the Facility must be completed in August of 2014. FRMC determined the Company was best suited to timely complete construction and financing of the Facility. Therefore, FRMC determined to ground sublease the Land to the Company to construct and own the Facility. The Company will then lease the Facility to FRMC and FRMC will, in turn, sublease the Facility to Tech Valley High School. As a result of the short construction timeframe, the Company requests an interim sales tax letter granting financial assistance in the amount of \$99,000 prior to the public hearing. The Company further requests a



**Debra J. Lambek, Esq.**

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mortgage tax exemption and payment in lieu of tax agreement. Since the Land is currently tax exempt, the Company requests a five year payment in lieu of tax agreement whereby no taxes would be paid for the five year period.

Further and additional details regarding the employment and student figures will be provided under separate cover.

Very truly yours,



Debra J. Lambek  
Counsel

DJL\mml

Enc.

cc: A. Joseph Scott, Esq. (Via Email to [ascott@hodgsonruss.com](mailto:ascott@hodgsonruss.com))  
Bradley Chevalier, Capitalize Albany (Via Email to [bchevalier@capitalizealbany.com](mailto:bchevalier@capitalizealbany.com))

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
ANNUAL HOUSEKEEPING RESOLUTION 2014**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on January 23, 2014 at 12:15 o’clock p.m., local time.

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

**PRESENT:**

Anthony J. Ferrara	Chairperson
Tracy Metzger	Vice Chairperson
Susan Pedo	Secretary
Lee Eck	Member
C. Anthony Owens	Member
Hon. Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

**RESOLUTION APPROVING CERTAIN APPOINTMENTS AND ADMINISTRATIVE MATTERS OF THE AGENCY.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 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 amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation 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, under Section 858 of the Act, the Agency has the power to make certain appointments and approve certain administrative matters; and

WHEREAS, as provided in the Agency's by-laws and the Governance Committee Charter, the members of the Governance Committee have reviewed and made certain recommendations on the Agency policies; and

WHEREAS, the members of the Agency desire to make certain appointments and approve certain administrative matters;

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

Section 1. The Agency hereby takes the following actions:

(A) Approves the appointments and the administrative matters described in Schedule A attached hereto.

(B) Approves, ratifies and confirms the policies described in Schedule A and contained in the Agency's Policy Manual.

Section 2. The Agency hereby authorizes the Chairman and the Executive Director to take all steps necessary to implement the matters described in Schedule A attached.

Section 3. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
Tracy Metzger	VOTING	_____
Susan Pado	VOTING	_____
Lee Eck	VOTING	_____
C. Anthony Owens	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____

The resolution was thereupon declared duly adopted.



## SCHEDULE A

### Confirmation of Regular Agency Meeting Schedule

Third Thursday of each month at 12:15 o'clock p.m., local time

### Appointment of Chief Executive Officer and Staff to the Agency

Michael Yevoli, Chief Executive Officer  
Erik Smith, Chief Financial Officer

### Appointment of Accounting Firm of the Agency

Teal, Becker & Chiaramonte, CPAs, P.C.

### Appointment of Agency Counsel

John J. Reilly

### Appointment of Bond Counsel to the Agency

Hodgson Russ LLP - A. Joseph Scott, III

### Appointments to Governance Committee

Susan Pedo  
C. Anthony Owens  
Lee Eck

### Appointments to Audit Committee

Susan Pedo, Chairperson  
Tracy Metzger  
Darius Shahinfar  
C. Anthony Owens

### Appointments to Finance Committee

C. Anthony Owens  
Tracy Metzger  
Darius Shahinfar  
Susan Pedo  
Lee Eck

Approval and Confirmation of Agency Policies

See Schedule A Attached Listing Agency Policies

Appointment of Contract Officer

Michael Yevoli

Appointment of Investment Officer

Erik Smith

## SCHEDULE A

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<sup>1</sup> The payment dates for the annual administrative fees relating to 9% tax credit financings are moved from January 15 to January 1 for administrative purposes.