

Albany Industrial Development Agency

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

Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Kathy Sheehan, *Treasurer*
Susan Pado, *Secretary*
Prairie Wells
Gary Simpson
Martin Daley

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

To: Anthony J. Ferrara
Willard A. Bruce
Kathy Sheehan
Susan Pado
Gary Simpson
Prairie Wells
Martin Daley
Megan Daly

Mike Yevoli
Joe Scott
Jeff Sullivan
John Reilly
Erik Smith
Maria Pidgeon
City Clerk

Date: October 13, 2010

AGENDA

PLEASE NOTE THAT A PUBLIC HEARING CONCERNING THE FOLLOWING PROJECT WILL BE HELD AT 12 NOON ON Thursday, October 21, 2010 at the offices of ACDA, 200 Henry Johnson Blvd., Albany, NY 12210

- **Morris Street Development, LLC Project**
- **Columbia 425 NS, LLC Project**

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday, October 21, 2010 at 12:15PM** at the offices Albany Community Development Agency, 200 Henry Johnson Blvd., Albany, NY 12210 (Conference Room)

Roll Call

Reading of Minutes of the Regular Meeting of September 16, 2010

Approval of Minutes of the Regular Meeting of September 16, 2010

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- 2011 Proposed Budget

Communications

Unfinished Business

- FC DCI, LLC – PILOT Deviation Approval Resolution
- Morris Street Development, LLC – Project Synopsis
- Morris Street Development, LLC – Commercial Findings Resolution
- Morris Street Development, LLC – SEQR Resolution
- Morris Street Development, LLC – URTIP and Final Approving Resolution
- Columbia 425 NS, LLC – Project Synopsis
- Columbia 425 NS, LLC – SEQR Resolution
- Columbia 425 NS, LLC – Approving Resolution
- Public Authorities Reform Act 2009 Compliance

New Business

- Capital District Physician's Health Plan Project (CDPHP) - Resolution Authorizing Conveyance and Assignment
- Albany Medical Center Hospital – Resolution Authorizing Release of Parcels

Other Business**Adjournment**

* The next regularly scheduled meeting is November 18, 2010 at the offices of the CAC, 21 Lodge St.

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IDA MINUTES OF REGULAR MEETING Thursday, September 16, 2010

Attending: Anthony Ferrara, Bill Bruce, Susan Pedo & Kathy Sheehan

Absent: Gary Simpson, Martin Daley and Prairie Wells

Also Present: Joe Scott, Maria Pidgeon, Erik Smith, John Reilly, Megan Daly, Mike Yevoli & Jeff Sullivan.

Chairman 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 Gary Simpson, Martin Daley and Prairie Wells.

Reading of Minutes of the Regular Meeting of July 22, 2010

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 July 22, 2010

Chairman Ferrara made a proposal to approve the minutes of the Regular Board Meeting as presented. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Bill Bruce. A vote being taken, the minutes were accepted unanimously.

Reports of Committees

None

Report of Chief Executive Officer

Mike Yevoli reported that he has been encouraged with the increase in activity of prospective projects for the IDA and the CRC.

Concerning communications – Mr. Yevoli reported that the website is currently being updated by Josh Poupore and encouraged Board members to take a look at it, as staff welcomed input from the members.

Mr. Yevoli advised the Board that St. Rose was a potential project. Megan Daly explained that the College of St. Rose was putting plans together for a student housing project consisting of approximately 240 beds. It would be located on the corner of Madison and Partridge Streets. The project would be in the area of \$20 million and St. Rose is considering using the CRC as the financing for the project.

Chairman Ferrara, recommended the agenda be modified to address New Business. No objection was rendered and the agenda was so modified.

New Business

Morris Street Development, LLC – Public Hearing Resolution

Erik Smith introduced the project to the Board explaining that the project involves the renovation of a building that had been vacant for 15 years making it into a 9 unit residential housing building. The project is located in the Park South area where several other IDA projects have been initiated.

Louis Chicatelli, attorney representing the project applicant, addressed the Board giving them an overall description of the project. He noted that the apartments will be upscale and will be another positive revitalization project in this area. The project cost will total approximately \$850,000.

Chairman Ferrara presented the *Morris Street Development, LLC Project Public Hearing Resolution* to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

Columbia 425 NS, LLC Project Public Hearing Resolution

Maria Pidgeon introduced the project to the Board explaining that the project would consist of the acquisition and renovation of a 16,500 square foot building formerly St. Theresa's elementary school. The project would be a straight lease deal with an estimated project cost of \$4,072,340.

Richard Rosen, representing Columbia Development, addressed the Board noting that the project consists of the renovation of the building to be used as a senior day care medical facility. The proposed tenant is Care for LIFE Foundation.

Kathy Sheehan inquired about the neighborhood input on the project. The applicants stated that they had met with the neighborhood groups and that all the feedback they received was positive. Mike Yevoli added that while the project applicant had met informally with the neighborhood groups, the Planning Board would still be doing its formal review of the project in which it would consider any neighborhood concerns. He continued, that the IDA Board would not be taking final action on this project until all those reviews and approvals were in place.

Chairman Ferrara presented the *Columbia 425 NS, LLC Project Public Hearing Resolution* to the Board. A motion to adopt the Resolution was made by Bill Bruce and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

FC DCI, LLC Project SEQR Resolution

Joe Scott II reviewed the project synopsis with the Board noting that a Negative Declaration was issued by the Planning Board in regard to the project and that the expected closing date on this project would be in October 2010.

Chairman Ferrara presented the FC DCI, LLC *Project SEQR Resolution* to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

FC DCI, LLC Project Final Approving Resolution

Chairman Ferrara presented the FC DCI, LLC *Project Final Approving Resolution* to the Board. A motion to adopt the Resolution was made by Bill Bruce and seconded by Kathy Sheehan. Erik Smith reminded the Board that initially the applicant was requesting a PILOT Deviation which would be based on that portion of the building that was occupied by the not-for-profit entity. After considering that request, staff is now recommending a PILOT Deviation that mirrors the New York State 485B which is a ten year term starting out abating 50% of the improvements and reducing that abatement in increments of 5% annually. At today's meeting, staff is looking for an understanding from the Board members that they would approve this recommended deviation when formally voted on in October. This will allow staff to begin with the notification process to the effected taxing jurisdictions and allow the applicant to finalize their financing of the project.

A vote being taken, the Resolution passed unanimously.

Report of Chief Financial Officer

Erik Smith reviewed the financial report with the Board. He noted that during the month we had one project close – Columbia 50 NS – which resulted in revenue of \$114, 065.00. The cash on hand at the end of August was \$424,534.00.

Communications

None

Unfinished Business

None

Other Business

None

There being no further business, Chairman Ferrara adjourned the meeting at 1:15PM.

Respectfully submitted,

Susan Pedo, Secretary

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City of Albany IDA
2010 Monthly Cash Position
September 2010

	ACTUAL									PROJECTED			
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 460,636	\$ 456,439	\$ 450,028	\$ 435,178	\$ 421,513	\$ 406,199	\$ 322,921	\$ 310,037	\$ 424,534	\$ 337,419	\$ 262,511	\$ 272,800	\$ 460,636
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500	\$ (1,500)	\$ -	\$ -	\$ 6,000
Agency Fee	10,125	-	108,799	-	-	-	-	114,065	-	-	18,695	37,006	288,690
Administrative Fee	-	500	-	-	-	-	-	-	-	-	-	-	500
Modification Fee	-	-	-	-	-	-	-	500	-	-	-	-	500
Subtotal - Fee Revenue	\$ 10,125	\$ 2,000	\$ 108,799	\$ -	\$ -	\$ -	\$ 1,500	\$ 114,565	\$ 4,500	\$ (1,500)	\$ 18,695	\$ 37,006	\$ 295,690
Other Revenue													
Loan Repayments - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Repayments - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	60	69	78	65	64	56	49	49	52	60	60	60	722
Sale of Agency Property	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Other Revenue	\$ 60	\$ 69	\$ 78	\$ 65	\$ 64	\$ 56	\$ 49	\$ 49	\$ 52	\$ 60	\$ 60	\$ 60	\$ 722
Total - Revenue	\$ 10,185	\$ 2,069	\$ 108,877	\$ 65	\$ 64	\$ 56	\$ 1,549	\$ 114,614	\$ 4,552	\$ (1,440)	\$ 18,755	\$ 37,066	\$ 296,412
Expenditures													
Management Contract	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ -	\$ 16,667	\$ 8,333	\$ 8,333	\$ 8,333	\$ 100,000
APA Contract	5,250	-	-	5,250	-	-	5,250	-	-	5,250	-	-	21,000
Audits	-	-	-	-	6,000	-	600	-	-	-	-	-	6,600
Agency Counsel	-	-	-	-	-	-	-	-	-	-	-	42,000	42,000
ED Support	-	-	75,000	-	-	75,000	-	-	75,000	-	-	75,000	300,000
Sub-lease AHCC	-	-	40,247	-	-	-	-	-	-	59,753	-	-	100,000
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	1,010	-	-	-	-	-	-	-	1,010
Misc.	799	147	147	147	35	-	250	117	-	132	132	132	2,037
Other Legal Expenses	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	\$ 14,382	\$ 8,480	\$ 123,727	\$ 13,730	\$ 15,378	\$ 83,333	\$ 14,433	\$ 117	\$ 91,667	\$ 73,468	\$ 8,465	\$ 128,465	\$ 575,647
Ending Balance	\$ 456,439	\$ 450,028	\$ 435,178	\$ 421,513	\$ 406,199	\$ 322,921	\$ 310,037	\$ 424,534	\$ 337,419	\$ 262,511	\$ 272,800	\$ 181,401	\$ 181,401

City of Albany IDA

Fee Detail by Month

September 2010

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	Madison Properties of Albany, LLC	\$ -	\$ 10,125	\$ -	\$ -	\$ 10,125
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 10,125	\$ -	\$ -	\$ 10,125
<i>February</i>	Albany College of Pharmacy	\$ -	\$ -	\$ 500	\$ -	\$ 500
	39 Sheridan Realty, LLC	1,500	-	-	-	1,500
	TOTAL	\$ 1,500	\$ -	\$ 500	\$ -	\$ 2,000
<i>March</i>	NS Parking Garage	\$ -	\$ 108,799	\$ -	\$ -	\$ 108,799
		-	-	-	-	-
	TOTAL	\$ -	\$ 108,799		\$ -	\$ 108,799
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany IDA

Fee Detail by Month

September 2010

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	FC DCI, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
		-	-	-	-	-
	TOTAL	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
<i>August</i>	Columbia 50 NS, LLC	\$ -	\$ 114,065	-	-	114,065
	Columbia 16 NS, LLC	-	-	-	500	500
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 114,065	\$ -	\$ 500	\$ 114,565
<i>September</i>	Columbia 425 NS, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Morris St. Development, LLC	1,500	-	-	-	1,500
	St. Peter's (Due to CRC)	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
<i>October</i>	St. Peter's (Due to CRC)	\$ (1,500)	\$ -	\$ -	-	\$ (1,500)
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ (1,500)	\$ -	\$ -	\$ -	\$ (1,500)
<i>November</i>	FC DCI, LLC	\$ -	\$ 18,695	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 18,695	\$ -	\$ -	\$ 18,695
<i>December</i>	Columbia 425 NS, LLC	\$ -	\$ 30,542	\$ -	\$ -	\$ 30,542
	Morris St. Development, LLC	-	6,464	-	-	6,464
		-	-	-	-	-
	TOTAL	\$ -	\$ 37,006	\$ -	\$ -	\$ 37,006
	2010 TOTAL	\$ 6,000	\$ 288,690	\$ 500	\$ 500	\$ 295,690
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

City of Albany IDA
2011 PROPOSED Budget

		2011 PROPOSED Budget	2010 APPROVED Budget	2010 Projected	YTD Variance to Budget
REVENUE					
Fees ⁽¹⁾		\$ 305,868	\$ 572,000	\$ 295,690	\$ (276,310)
Savings Interest		500	1,200	730	(470)
TOTAL REVENUE		<u>\$ 306,368</u>	<u>\$ 573,200</u>	<u>\$ 296,420</u>	<u>\$ (276,780)</u>
EXPENSES					
<i>Economic Development and Community Development Support</i> ⁽²⁾					
Capitalize Albany Corporation Economic Development Support		\$ 115,000	\$ 300,000	\$ 300,000	\$ -
Sub-Lease AHCC		100,000	100,000	100,000	-
Capitalize Albany Corporation Management Contract		40,999	100,000	100,000	-
Agency Counsel		17,219	42,000	42,000	-
Albany Parking Authority Contract ⁽³⁾		23,100	21,000	21,000	-
Other Legal Expenses		-	-	6,000	6,000
Audits		6,600	6,750	6,600	(150)
D & O Insurance		1,200	1,200	1,010	(190)
Miscellaneous		2,250	2,250	2,169	(81)
TOTAL EXPENSES		<u>\$ 306,368</u>	<u>\$ 573,200</u>	<u>\$ 578,779</u>	<u>\$ 5,579</u>
Surplus/(Deficit)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (282,359)</u>	<u>\$ (282,359)</u>

⁽¹⁾ 2011 actual and estimated project activity includes:

Projects	Estimated Project Amount	Estimated Fee
Other estimated project activity	<u>\$ 40,782,400</u>	<u>\$ 305,868</u>
Total	<u><u>\$ 40,782,400</u></u>	<u><u>\$ 305,868</u></u>

⁽²⁾ ED Support includes: Funds for further economic development- Administrative and Program Expenses.

⁽³⁾ APA has indicated that the rate changes bi-annually and is effective through 2010.

**PILOT DEVIATION APPROVAL RESOLUTION
FC DCI, LLC PROJECT – PHASE I**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 1010-_____

**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 FC DCI, 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 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 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 August, 2010, FC DCI, 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 3.90 acres and located at a site currently having an address of 184 Washington Avenue Extension in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a new building to contain approximately 15,000 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 constitute a medical office building complex to be owned by the Company and leased to various medical office tenants for medical 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 property 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 July 22, 2010 (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 Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on September 3, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on September 7, 2010 on a bulletin board located at the City Hall Rotunda 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 September 1, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on September 16, 2010 at 12:00 o’clock p.m., local time at offices of the City of Albany Industrial Development Agency, 21 Lodge Street in the City of Albany, Albany County, and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said 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"), the Agency has been informed that (A) the City of Albany Planning Board (the "Planning Board") was designated to act as the "lead agency" with respect to the Project and (B) on September 16, 2010 the Planning Board determined that that the Project is a "unlisted action" which will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project and issued a negative declaration with respect thereto (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 October 8, 2010 (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 County 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 no fewer than ten (10) days prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the affected tax jurisdictions, payments in lieu of taxes must be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, by the Pilot Deviation Letter, the Chief Executive Officer 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) 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 and (E) 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, such deviation to be as described in the Pilot Deviation Letter.

Section 3. Upon preparation by 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	_____
Willard A. Bruce	VOTING	_____
Susan Peto	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	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 October 21, 2010 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 October, 2010.

(Assistant) Secretary

(SEAL)

EXHIBIT A

PILOT DEVIATION LETTER

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street
Albany, New York 12207
Tel: 518-434-2532 ext. 16
Fax: 518-434-9846

October 8, 2010

Hon. Gerald D. Jennings, Mayor
City of Albany
City Hall
Eagle Street
Albany, New York 12207

Hon. Michael G. Breslin, County Executive
Office of the County Executive
County Office Building
112 State Street, Room 200
Albany, New York 12207

Dr. Raymond Colucciello
Superintendent of Schools
Albany City School District
Academy Park
Albany, New York 12207

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Albany Industrial Development Agency in connection
with its Proposed FC DCI, LLC Project

Dear Ladies and Gentlemen:

In August, 2010, FC DCI, 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 3.90 acres and located at a site currently having an address of 184 Washington Avenue Extension in the City of Albany, Albany County, New York (the "Land"), (2) the construction on the Land of a new building to contain approximately 15,000 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 constitute a medical office building complex to be owned by the Company and leased to various medical office tenants for medical 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 property 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.

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 would provide that the Company be granted a ten 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 (collectively, with the Facility, the "Improvements") with an abatement of 50% in year one of the Proposed PILOT Agreement and with a 5% per year decrease in such abatement over the term of the Proposed PILOT Agreement.

The terms of the Proposed PILOT Agreement deviate from the Agency's 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.

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 October 21, 2010 at 12:15 p.m., local time at the offices of the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on October 21, 2010, 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 proposed Project:

The Project involves the construction of a medical office building complex to be owned by the Company and leased to various medical office tenants for medical and other directly and indirectly related activities.

The Company has made the PILOT Request because the Project site currently is not subject to real property tax since the Project site is owned by a not-for-profit corporation. In addition, the Company anticipates leasing all or a significant portion of the Facility to other not-for-profit corporations (and if the Facility was owned by a not-for-profit corporation and lease to other not-for-profit corporations, it is expected by no real property taxes would be due and owing on the Project Facility).

2. The nature of the property before the undertaking of the Project:

A vacant lot.

3. The economic condition of the area at the time of the application and the economic

multiplying effect that the Project will have on the area:

At the time of the application, the economic condition of the area in which the Project Facility is to be located is generally good. The Project will create jobs, both permanent and construction, thus generating revenue for the City of Albany and surrounding areas. Further, the Project will benefit the Daughters of Sarah facility located adjacent to the Project site. 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 approximately 20 - 30 construction jobs over the approximately one-year construction period with a payroll of approximately \$1,125,000.

The Project will create approximately 12 full-time jobs within the first year of operation. The Company has indicated that they will make every effort to hire local labor to undertake the construction of the Facility. Information regarding the estimated average wage/salary per year for a permanent full time job will be available at the Meeting.

5. The estimated value of tax exemptions to be provided:

Currently, the project site is not subject to any real property taxes because the site is owned by a not-for-profit corporation. Based on an estimate of the assessed value of the Facility, the amount of PILOT payments on the Project Facility would start at approximately \$10,314 and end at \$19,056 over a 10-year period, resulting in approximately \$143,607 of PILOT payments paid by the Company.

6. The economic impact of the Proposed PILOT Agreement on affected tax jurisdictions:

The Project will service hospitals and nursing homes in the area by providing outpatient medical treatment services, medical office space and general office use. It is anticipated that the office space will result in the creation of 12 full-time positions in the area. It is anticipated up to 50% of these jobs will be staffed by City of Albany residents. These residents will continue to own homes and to pay school and property taxes. In addition, local retail and service industries will benefit from creation of new jobs within the community.

7. The impact of the proposed Project 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 jobs in the community. Further, it is anticipated that the major tenant in the Facility is a substantial not-for-profit corporation that at the present time does not have any operations in the Capital District.

8. The amount of private sector investment generated or likely to be generated by the proposed Project:

The investment by the Company will be approximately \$2,492,668. This investment does not include any investment by the tenants to be located in the Facility.

9. The effect of the proposed Project on the environment:

It is likely that the Project will not have a significant effect on the environment.

10. The likelihood of accomplishing the proposed Project in a timely fashion:

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 said tax savings on to the tenants at the Project in the form of lower lease payments. The benefit of the larger tax abatement under the Proposed PILOT Agreement will not accrue to the Company, but will instead accrue to the tenants at the Project, therefore, enticing these tenants to come into or stay in the area. The creation of new jobs within the community will benefit the local retail and service industries.

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 create permanent, private sector jobs.

The Agency will consider the Proposed PILOT Agreement (and the proposed deviation from the Agency's Policy) at the Meeting. The discussion at the Meeting will include a review of (a) the terms of the PILOT Request, (b) other projects where the Agency has approved a deviation from its Policy, and (c) the information contained in this letter and other materials provided by the Company supporting the PILOT Request. Based on the discussion at the Meeting, and the review of any comments received by the Agency with respect to the PILOT Request, the Agency may determine to modify the terms of the PILOT Request.

The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Policy. In accordance with Section 874 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,

/s/ Michael J. Yevoli
Michael J. Yevoli
Chief Executive Officer

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
MORRIS STREET DEVELOPMENT, LLC PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: Morris Street Development, LLC LLC, a limited liability company organized and existing under the laws of the State of New York (the "Company").
2. The Project:
 - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .07 acres located at 70 Morris Street in the City of Albany, Albany County, New York (the "Land"), together with the existing apartment building containing approximately 10,096 square feet of space located thereon (the "Facility").
 - (B) Construction: the renovation of the Facility.
 - (C) Equipment component: the acquisition and installation therein and thereon of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility").
 - (D) Lease: The Project Facility will be leased by the Agency to the Company pursuant to a lease agreement dated as of November 1, 2010 (the "Lease Agreement") by and between the Agency and the Company, which Project Facility will be owned by the Company and leased to various tenants for residential uses and other directly and indirectly related activities.

II. PRIOR ACTION ON PROJECT:

3. SEQR Compliance:
 - (A) SEQR classification of the Initial Project: Negative Declaration.
 - (B) SEQR Lead Agency: City of Albany Board of Zoning Appeals.
 - (C) Date of Lead Agency Action: January 14, 2009.
 - (D) Date of Agency Action: October 21, 2010.
4. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on September 16, 2010.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: October 7, 2010.
 - (2) Date Posted: October 8, 2010.
 - (3) Published in Albany Times Union: October 8, 2010.
 - (4) Date of Public Hearing: October 21, 2010.
 - (5) Location of Public Hearing: the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York.
 - (C) URTIP and Final Approving Resolution: to be adopted on October 21, 2010.

III. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

7. Relationship of Agency to Company: The Agency will acquire, construct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
8. Business Terms:
 - (A) Payments in Lieu of Taxes: The Agency is entering into a Payment in Lieu of Tax Agreement pursuant to the URTIP provisions of the Agency's Uniform Tax Exemption Policy.
 - (B) Agency fee estimated \$6,464.10 ($\frac{3}{4}$ of 1% of the Project costs of \$861,879.69).
9. 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.
10. Proposed Closing Date: expected to be November, 2010.
11. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**COMMERCIAL FINDINGS RESOLUTION
MORRIS STREET DEVELOPMENT, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 1010-____

RESOLUTION (A) DETERMINING THAT THE PROPOSED MORRIS STREET DEVELOPMENT, 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, 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 September, 2010, Morris Street Development, 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 .07 acres located at 70 Morris Street in the City of Albany, Albany County, New York (the “Land”), together with the existing apartment building containing approximately 10,096 square feet of space located thereon (the “Facility”), (2) the renovation of the Facility and (3) the acquisition and installation therein and thereon of various 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 and operated by the Company and leased to various tenants for residential 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, by resolution adopted by the members of the Agency on September 16, 2010 (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 7, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on October 8, 2010 on a bulletin board located at the City Hall Rotunda 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 October 8, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on October 21, 2010 at 12:00 o’clock p.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York , and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said 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

October 21, 2010 (the “SEQR Resolution”), the Agency (A) concurred in the determination by the City of Albany Board of Zoning Appeals (the “Board of Zoning Appeals”) to act as “lead agency” with respect to the Project and (B) indicated that the Agency had no information to suggest that the Board of Zoning Appeals 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, 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 March 28, 2006 entitled the “Park South Urban Renewal Plan” (the “Park South Plan”);

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 within an area known as Park South, which is the subject of the Park South Plan. Areas within the Park South are classified as “highly distressed areas” and therefore, the Project is located in a “highly distressed area” (as defined in the Act).

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

C. The Park South Plan makes the following comments/findings regarding the development of the general area surrounding the Project Facility and the need for parking in such area:

- The elimination of urban blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, through rehabilitation, historic preservation and redevelopment and establishment of conditions that will prevent recurrence of such conditions. (*Park South Plan*)
- The creation of residential opportunities which maintain the affordability of housing and the diversity of the neighborhood through the conservation and expansion of the housing stock in order to provide a decent home and a suitable living environment for all persons, including those of low and moderate income. (*Park South Plan*)
- One supportive objection of the Plan is to encourage current residents and property owners within the area to invest in their properties by enforcing building codes, offering rehabilitation assistance programs and increasing public investment in infrastructure and supporting facilities. (*Park South Plan*)

D. That undertaking the Project is consistent with the Park South Report and will encourage future commercial and residential development and expansion in the neighborhood area.

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".

B. That (1) the Project Facility will provide necessary infrastructure for area employers and businesses, (2) that 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) that 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, 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.

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	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	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 October 21, 2010 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 October, 2010.

(Assistant) Secretary

(SEAL)

**NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY BOARD OF ZONING APPEALS**

► **Important Note:** This is **not** a building permit. All building permits must be approved and issued by the Division of Building & Codes prior to the start of any construction.

ADDRESS OF SUBJECT PROPERTY: 70 Morris St.

IN THE MATTER OF: A Use Variance to allow for the reestablishment of a nine (9) apartment units in a vacant building, which is not a permitted use in the district.

APPLICANT: Maddalone Construction, Inc.

ADDRESS: 600 Franklin St., Suite 103, Schenectady, NY 12305

CASE NUMBER: 1-09, 1659

DATE APPLICATION RECEIVED: 12/10/08

DATE OF HEARING: 1/14/09

DATE OF DECISION: 1/14/09

WARD: 6

DECISION: Approved w/Conditions

N.A.: Park South

HISTORIC/ SPECIAL DISTRICT(S): Traditional Neighborhood Design Overlay District

The request is Approved, by the following vote:

For: 6	Apostol: Y	O'Connor: Y	Viele: NIA
Against: 0	Cronin: Y	Ray: Y	
Abstain: 0	Moran: Y	Tucker-Ross: Y	

Site Description

The site in question is located on the southeast corner of Morris and Knox Streets in an R-2A One- and Two-Family Residential zoning district. The property is improved with a three-story, 7,572 square foot residential apartment building.

Relevant Considerations

The applicant seeks to reoccupy this vacant apartment structure with nine (9) dwelling units. This building previously had up to eleven (11) dwelling units and appears to have been vacant as far back as 1970. The applicant estimates that approximately \$700,000 in improvements is necessary to return the building to occupancy.

Proposed dwelling units are as follows:

Apt #	Floor	Bedrooms	Size
1	1	1	532 sq. ft.
2	1	1	493 sq. ft.
3	1	2	831 sq. ft.
4	2	2	698 sq. ft.
5	2	2	690 sq. ft.
6	2	2	731 sq. ft.
7	3	2	698 sq. ft.
8	3	2	690 sq. ft.
9	3	2	731 sq. ft.

Findings

When considering a request for a use variance, the Board shall require a showing by the applicant that applicable zoning regulations and restrictions have caused unnecessary hardship. In order to prove such unnecessary hardship, the applicant shall demonstrate to the Board that for each and every permitted use under the zoning regulations for the particular district where the property is located:

[1] The applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence.

The building in question has fallen into substantial disrepair. Recently, portions of the building were indicated as being a public safety hazard and threatened immediate damage to significant features of the building. While these concerns were temporarily addressed, the situation demands immediate attention. The Board finds that the condition of the building constitutes a significant hardship to any potential buyer. To allow continued deterioration of the structure is not in the long-term interest of the neighborhood, nor would it be practicable to explore demolition given the costs involved, site constraints and permissible zoning.

[2] The alleged hardship relating to the property in question is unique and does not apply to a substantial portion of the district or the neighborhood.

While physical deterioration within the neighborhood is not unique to this particular property, the size and nature of the preexisting construction is unique. The practicable reuse of a 7,500 square foot structure with substantial cost investment required presents a unique hardship that is uncommon in respect to the majority of other properties in the area.

[3] The requested use variance, if granted, will not alter the essential character of the neighborhood.

Despite the fact that the neighborhood is zoned for one- and two-family dwellings, the building existing at the subject property was constructed as a multi-family apartment building and utilized as such since its inception. Polk City Directories as far back as available to this Board indicated that the use of the structure was consistently that of a multi-family building, often in excess of the number of units proposed in this application. The Board feels then that reestablishing this use will not alter the character of the neighborhood, especially when taken in light of the given hardship.

[4] The alleged hardship has not been self-created.

The hardship is not self-created because the hardship is related to the deterioration of the structure and the applicant bears no responsibility for these conditions.

The Board, when granting a use variance, shall grant the minimum variance that it shall deem necessary and adequate to address the unnecessary hardship proven by the applicant and that also will preserve and protect the character of the neighborhood and the health, safety and welfare of the community.

The variance requested is the minimum necessary to alleviate the hardship.

The Board finds that, in accordance with §375-26(B)(2)(a), the variance granted is the minimum necessary, and that:

1. The applicant has demonstrated an unnecessary hardship, in that they cannot realize a reasonable return with a permitted use of the building.
2. This hardship is unique to this property.
3. Granting the variance will not alter the essential character of the neighborhood.
4. The hardship was not self-created.

CONDITIONS

- The applicant shall provide for landscaping improvements, as required and to be approved by Planning Staff.
- Planning Staff shall approve of all exterior improvements to assure consistency with the Traditional Neighborhood Design Overlay District guidelines.

The Board hereby issues a negative declaration under SEQR for this unlisted action, as the proposed construction will not result in any significant adverse environmental impacts.

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on January 14, 2009.

Signed: G. Michael Apostol Date: 1/14/09

► **Important Note:** Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within six (6) months of the date of signature.



CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING
21 LODGE STREET
ALBANY, NEW YORK 12207
(518) 434-2532 FAX (518) 434-9846

GERALD D. JENNINGS
MAYOR

MICHAEL J. YEVOLI
COMMISSIONER

January 28, 2009

Maddalone Construction, Inc.
600 Franklin St., Suite 103
Schenectady, NY 12305

Re: Board of Zoning Appeals Approval, 70 Morris Street

Dear Applicant:

The Board of Zoning Appeals approved your request for a Use Variance on 1/14/09 with the following condition:

"The applicant shall provide for landscaping improvements, as required and to be approved by Planning Staff."

In reference to the above condition, Planning Department staff requires that the following condition be met prior to occupancy:

- The applicant shall install three (3) street trees along Knox and Morris Streets, parallel to the north and west property boundaries. Where practical difficulties arise, Staff should be notified.

The conditions referenced herein must be completed before a Certificate of Occupancy is issued. Arrangements can be made by contacting the City Forester at (518) 427-7489.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradley Glass".

Bradley Glass
Planner

City of Albany
Department of Development & Planning
21 Lodge Street
Albany, NY 12207
Phone: 434-2532 ex.17
Fax: 434-9846

SHORT ENVIRONMENTAL ASSESSMENT FORM

INSTRUCTIONS:

In order to answer the questions in this short EAF it is assumed that the preparer will use currently available information concerning the project and the likely impacts of the action. It is not expected that additional studies research or other investigations will be undertaken.

ENVIRONMENTAL ASSESSMENT

- | | | | |
|-----|--|-------|--|
| 1. | Will the project result in a large physical change to the project site or physically alter more than 10 acres of land?..... | __Yes | <input checked="" type="checkbox"/> No |
| 2. | Will there be a major change to any unique or unusual landform found on this site?..... | __Yes | <input checked="" type="checkbox"/> No |
| 3. | Will project alter or have a large effect on an existing body of water?..... | __Yes | <input checked="" type="checkbox"/> No |
| 4. | Will project have a potentially large impact on groundwater quality? | __Yes | <input checked="" type="checkbox"/> No |
| 5. | Will project significantly affect drainage flow or air quality?..... | __Yes | <input checked="" type="checkbox"/> No |
| 6. | Will project affect any threatened or endangered plant or animal species... | __Yes | <input checked="" type="checkbox"/> No |
| 7. | Will project result in a major adverse impact on air quality?..... | __Yes | <input checked="" type="checkbox"/> No |
| 8. | Will project have a major effect on visual character of the community or scenic views or vistas known to be or important to the community?... | __Yes | <input checked="" type="checkbox"/> No |
| 9. | Will project adversely impact any site or structure of historic, prehistoric or paleontological importance or any site designated as a critical environmental area by a local agency?..... | __Yes | <input checked="" type="checkbox"/> No |
| 10. | Will project have a major effect on existing or future recreational opportunities? | __Yes | <input checked="" type="checkbox"/> No |
| 11. | Will project result in major traffic problems or cause a major impact on existing transportation systems?..... | __Yes | <input checked="" type="checkbox"/> No |
| 12. | Will project regularly cause objectionable odors, noise, glare, vibration, or electrical disturbances as a result of the project's operation?..... | __Yes | <input checked="" type="checkbox"/> No |
| 13. | Will project have any impact on public health or safety?..... | __Yes | <input checked="" type="checkbox"/> No |
| 14. | Will project affect the existing community by directly causing a growth? in permanent population of more than 5% over a one-year period <u>or</u> have a major negative effect on the character of the community or neighborhood?..... | __Yes | <input checked="" type="checkbox"/> No |
| 15. | Is there any public controversy concerning the project?..... | __Yes | __No |

PREPARER'S SIGNATURE: H. Maddaloni TITLE: Construction Manager

REPRESENTING: MADDALONI CONSTRUCTION, INC. DATE: 12/9/08

SEQR RESOLUTION
MORRIS STREET DEVELOPMENT, LLC PROJECT

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. 1010-____

RESOLUTION ACCEPTING THE DETERMINATION BY THE CITY OF ALBANY BOARD OF ZONING APPEALS TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE MORRIS STREET DEVELOPMENT, LLC PROJECT AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO

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 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 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 September, 2010, Morris Street Development, 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 .07 acres located at 70 Morris Street in the City of Albany, Albany County, New York (the “Land”), together with the existing apartment building containing approximately 10,096 square feet of space located thereon (the “Facility”), (2) the renovation of the Facility and (3) the acquisition and installation therein and thereon of various 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 and operated by the Company and leased to various tenants for residential 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, by resolution adopted by the members of the Agency on September 16, 2010 (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 7, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on October 8, 2010 on a bulletin board located at the City Hall Rotunda 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 October 8, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on October 21, 2010 at 12:00 o’clock p.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) shall prepare a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and shall file same in the files of the Agency and distribute same to the Mayor of the City of Albany, New York (the “Mayor”); 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 (A) the City of Albany Board of Zoning Appeals (the "Board of Zoning Appeals") was designated to act as the "lead agency" with respect to the Project and (B) on January 14, 2009 the Board of Zoning Appeals determined that the Project is an "unlisted action" which will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project and issued a negative declaration with respect thereto (the "Negative Declaration"); and

WHEREAS, at the time that the Board of Zoning Appeals determined itself to be the "lead agency" with respect to the Project, it was not known that the Agency was an "involved agency" with respect to the Project, and, now that the Agency has become an "involved agency" with respect to the Project, the Agency desires to concur in the designation of the Board of Zoning Appeals as "lead agency" with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate that the Agency has no information to suggest that the Board of Zoning Appeals was incorrect in determining that the Project will not have a "significant effect on the environment" pursuant to SEQRA;

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

Section 1. (A) The Agency has received copies of, and has reviewed, the Application, an environmental assessment form prepared by the Company and the Negative Declaration (collectively, the "Reviewed Documents") and, based upon said Reviewed Documents and the representations made by the Company to the Agency at this meeting, the Agency hereby ratifies and concurs in the designation of the Board of Zoning Appeals as "lead agency" with respect to the Project (as such quoted term is defined in SEQRA).

(B) The Agency hereby determines that the Agency has no information to suggest that the Board of Zoning Appeals was incorrect in determining that the Project will not have a "significant effect on the environment" pursuant to SEQRA (as such quoted phrase is used in SEQRA).

Section 2. 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	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	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 October 21, 2010 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 October, 2010.

(Assistant) Secretary

(SEAL)

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY**APPLICATION FOR URBAN REINVESTMENT TAX
INCENTIVE PROGRAM**

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for the City of Albany Industrial Development Agency's Urban Reinvestment Tax Incentive Program. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: Morris Street Development

APPLICANT'S ADDRESS: 1536 Union Street

CITY: Schenectady STATE: New York ZIP CODE: 12309

PHONE NO.: 518-372-3300 FAX NO.: 518-372-7400 E-MAIL: chicatel@nycap.rr.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Lou Chicatelli or Christopher Maddalone

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Lou Chicatelli - Fazzone, Fazzone, Fazzone & Chicatelli, PLLC
ATTORNEY'S ADDRESS: 1536 Union Street

CITY: Schenectady STATE: New York ZIP CODE: 12309

PHONE NO.: 518-372-3300 FAX NO.: 518-372-7400 E-MAIL: chicatel@nycap.rr.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return eight (8) copies of this application to the Agency at the address indicated on the first page of this application.
6. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
7. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.

FOR AGENCY USE ONLY

1.	Project Number	
2.	Date application Received by Agency	, 20
3.	Date application referred to attorney for review	, 20
4.	Date copy of application mailed to members	, 20
5.	Date of Agency meeting on application	, 20
6.	Date Agency conditionally approved application	, 20

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: **Morris Street Development, LLC**
Present Address: **1536 Union Street, Schenectady, New York**
Zip Code: **12309**
Employer's ID No.: **26-2444743**
2. If the Company differs from the applicant, give details of relationship:
n/a

II. INFORMATION CONCERNING THE AGENCY'S INVOLVEMENT WITH THE PROJECT

A. Agency Application

1. Attach a copy of the Application previously submitted by the Company to the Agency requesting the Agency to grant the Company financial assistance for the proposed project.
2. Indicate the date the Application was submitted to the Agency:
September 8, 2010

B. Status of Application

1. Describe the current status of the transaction in which the Company is seeking financial assistance from the Agency:
Morris Street Development has was in front of the IDA Board on September 16, 2010, and is awaiting notice of a public hearing or a decision on the project request.
2. Indicate the estimated closing date for the transaction: **Project is complete.**

III. INFORMATION REGARDING QUALIFICATION FOR THE AGENCY'S URBAN REINVESTMENT TAX INCENTIVE PROGRAM.

- A. Summary: (Please provide a brief narrative description of the Project.)
Total Rehab of abandoned building and renovation from 13 units to 9 unit residential housing.

The project plan is to revitalize the corner of Morris Street and Knox Street. The building, constructed in 1930, had fallen into disrepair and was an eyesore in the neighborhood. The area adjacent to the building on Knox Street has recently been rehabilitated. The building required extensive repairs to the façade, which in its day was stately.

The plan called for the interior to be gutted and to re-establish the floor plans to accommodate nine apartments, down from thirteen (13). In addition to the fewer number of apartments, the building was reconfigured to reduce the occupant density. Changing what were once 2 bedrooms to one bedroom and what were three bedrooms to two bedrooms. This was very warmly received by the Morris Street Neighborhood Association, which had concerns about the density of the buildings previous floor plan. This required the removal of all of the existing plaster, many of the existing partition walls and the electrical wiring. All new plumbing, gas and electric service meets, or excceed, the newest State and City building codes.

The brick façade and the roof have been repaired and restored.

The building is now a model for the neighborhood revitalization and ends the over fifteen (15) year vacancy and abandonment of the building.

B. Location of Proposed Project:

1. Street Address **70 Morris Street**
2. City of **Albany**
3. Town of
4. Village of
5. County of **Albany**

C. Is the site of the proposed project located in one of the following: (1) business improvement district, (2) economic development zone or (3) a project which qualifies for Community Development Block Grant Assistance? Yes **X**; No _____. If yes, please describe in more detail:

D. Will the completion of the proposed project result in an increase of the assessed valuation of project site by at least fifty percent? Yes **X**; No _____. If yes, please attach a copy of an appraisal or other documents satisfactory to the Agency confirming this answer.

E. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (Do not include construction workers). Also indicate on a separate

attachment the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant.

N/A

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI-SKILLED	UNSKILLED	TOTALS
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

F. Please attach correspondence from the City of Albany Department of Administrative Services and Workforce Development indicating that the employment estimates described in III.E. above have been reviewed by such department.

N/A

G. What is the estimated value of each type of tax-exemption being sought in connection with the proposed project? Please detail the type of tax-exemption and value of the exemption.

- a. N.Y.S. Sales and Compensating Use Taxes: \$ 0.00
- b. Mortgage Recording Taxes: \$ 0.00
- c. Real Property Tax Exemptions (assuming qualification for Urban Reinvestment Tax Incentive Program): \$ 198,220
- d. Other (please specify):

\$ 0.00

\$ _____

H. 1. Will the completion of the proposed project result in the creation or retention of at least one job for every \$1,000 of average tax abatement described in III.G. above? Yes ____; No B. If yes, please provide details: **No, but this project allows workers to live closer to their employment and provides an economic base to local small businesses thereby indirectly supporting the economic well being of the neighborhood/City.**

2. Are the jobs described in III.E. and III.H.1 retained jobs (as opposed to new jobs)? Yes ____; No X. If yes, would the Company have relocated from the proposed project site to a project site located outside the City of Albany but for the assistance provided by the Urban Reinvestment Tax Incentive Program? Yes ____; No _____. If yes, please attach an affidavit from an authorized officer of the Company confirming this answer.

3. Are the jobs described in III.G. and III.H.1 new jobs? Yes ____; No X. If yes, please attach an affidavit from an authorized officer of the Company describing the employment plan of the Company with respect to the proposed project.

I. Please attach an economic impact analysis prepared by or on behalf of the Company which describes and assesses the relative costs and benefits associated with the granting by the Agency of the financial assistance requested by the Company. Include in the analysis the real property tax abatement to be provided by the Urban Reinvestment Tax Incentive Program. The factors that should be included as potential benefits described in the economic impact analysis should include the following:

1. Sales tax;
2. Employee payroll;
3. Payroll tax;
4. Property values (both of the project and adjacent sites); and
5. Related economic development spin-off (e.g., uses of other services such as janitorial services, lunchtime trade, etc.).

Prior to preparing the economic impact analysis, the Company should consult with the Agency's staff to discuss the scope of the analysis and the factors that will be included as potential costs and benefits.

IV. REPRESENTATIONS BY THE APPLICANT. The Company understands and agrees with the Agency as follows:

A. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the City Department of Administrative Services and Workforce Development and the Albany Department of Social Services.

B. The Company understands and agrees that, if the Project receives any Financial Assistance from the Agency, subject to the provisions of Section 858-b of the General Municipal Law and except as otherwise provided by collective bargaining agreements, the Company will first consider persons residing in the area where the project is located for new employment opportunities created as a result of the Project.

C. Where the proposed jobs are jobs that will be created, the Company will execute a first source job agreement in form acceptable to the Agency describing the Company's employment plan.

D. The Company will file annually on or before November 15 of each year during the term of the PILOT Agreement an executed copy of the affidavit described in Appendix F to the Agency's Uniform Tax Exemption Policy. Such affidavit is intended to demonstrate continuing compliance with the Urban Reinvestment Tax Incentive Program. Where the proposed project consists of the construction or reconstruction of a building for lease by the Company to a tenant or tenants, the Company will require the tenant or tenants to comply with the Urban Reinvestment Tax Incentive Program.

E. The Company understands and agrees that failure by the Company to comply with the terms of the Agency's Urban Reinvestment Tax Incentive Program, including, but not limited to, the filing of the annual affidavits described in (D) above or the creation or retention of the jobs described in this Application, may result, in the discretion of the Agency, in termination of the real property tax abatement provide under the Program and the conveyance of the project from the Agency to the Company. Upon such conveyance, the Company will then be responsible for the payment of normal real property taxes with respect to the project.

F. The Company will otherwise comply with all ~~requirements contained in the Agency's Policy Manual and Article 18-A of the General Municipal Law.~~



LOUIS W. CHICATELLI, JR.

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION
APPEARING ON PAGES 10 THROUGH 13 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 13

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Morris Street Development, LLC
2. Brief Identification of the Project:	Total rehabilitation of vacant/abandoned building at 70 Morris Street, Albany, NY
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0.00
B. Value of Sales Tax Exemption Sought	\$ 0.00
C. Value of Real Property Tax Exemption Sought	\$ 198,220.00
D. Value of Mortgage Recording Tax Exemption Sought	\$ 0.00

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 11,000.00
2. Site preparation	\$
3. Landscaping	\$ 2,500.00
4. Utilities and infrastructure development	\$ 14,000.00
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$ 11,000.00
2. Renovation of existing structures	\$ 580,000.00
3. New construction costs	\$
4. Electrical systems	\$ 55,000.00
5. Heating, ventilation and air conditioning	\$ 28,000.00
6. Plumbing	\$ 27,500.00
7. Other building-related costs (describe)	\$
C. Machinery and Equipment Costs	
1. Production and process equipment	\$
2. Packaging equipment	\$
3. Warehousing equipment	\$
4. Installation costs for various equipment	\$
5. Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs	
1. Office furniture	\$
2. Office equipment	\$
3. Computers	\$
4. Other furniture-related costs (describe)	\$

E.	Working Capital Costs	
1.	Operation costs	\$
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service and associated lender's fees/costs	\$ 95,000.00
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F.	Professional Service Costs	
1.	Architecture and engineering	\$ 15,000.00
2.	Accounting/legal	\$ 7,500.00
3.	Other service-related costs (describe)	\$
G.	Other Costs	
1.	Taxes	\$ 14,293.00
2.		\$
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ 27,500.00
2.	Total Building-Related Costs	\$ 701,500.00
3.	Total Machinery and Equipment Costs	\$ 0.00
4.	Total Furniture and Fixture Costs	\$ 0.00
5.	Total Working Capital Costs	\$ 95,000.00
6.	Total Professional Service Costs	\$ 22,500.00
7.	Total Other Costs	\$ 14,293.00

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ 0.00	\$ 25,000.00
2	\$ 0.00	\$ 25,000.00
3	\$ 500.00	\$ 25,500.00
4	\$ 1,000.00	\$ 26,000.00
5	\$ 2,000.00	\$ 27,000.00

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	9 excluding subcontractors	\$ 189,000.00 Approximate	\$ 37,800.00
Year 1		\$	\$
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project: **The project provides support to occupants of nine (9) apartments (16 bedrooms). It is expected that 90% of these dwellers, if not more, will be employed in the City of Albany. This project brings nine new upscale units to an area where there was only an abandoned building.**

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year				
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year			2	
Year 1			2	
Year 2			2	
Year 3			2	
Year 4			2	
Year 5			2	

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

N/A

IV. Provide the projected percentage of employment that would be filled by City of Albany residents:

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ _____
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Calculations are estimates and ignore expected usual increase in property tax rates.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	4,400.00	4,400.00	0.00
Year 1	27,720.00	4,400.00	23,320.00
Year 2	27,720.00	4,400.00	23,320.00
Year 3	27,720.00	4,400.00	23,320.00
Year 4	27,720.00	4,400.00	23,320.00
Year 5	27,720.00	4,400.00	23,320.00
Year 6	27,720.00	4,400.00	23,320.00
Year 7	27,720.00	6,930.00	20,790.00
Year 8	27,720.00	13,860.00	13,860.00
Year 9	27,720.00	20,790.00	6930.00
Year 10	27,720.00	27,720.00	0.00

- III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

The project returns a once stately building to its original grandeur. In doing so it fills nine (9) apartments with up market tenants. Our marketing plan consists of working with the local hospitals such as St. Peters, Albany Med and the VA center. We are also seeking tenant from the local colleges like Albany Law, Albany Med, Albany College of Pharmacy and Maria College.

The neighborhood will be directly impacted in many ways. First, it is a continuation of the City of Albany's Plan to revitalize the Park South Neighborhood. It shows a continued commitment to the area and the desire to increase property values, resident safety as well as an increase in consumer base to support small local businesses. By providing a vibrant, safe, new and upscale housing option it attracts more consumers to the immediate area. This project is a prime example of successful urban renewal, as it is presumed that now there will be an option for renters who might otherwise continue the "suburban flight." Additionally, there is a long understood correlation, if not symbiotic relationship, between the housing values and spending capacity of the residents in the neighborhood.

This project supports the workforce of downtown Albany by providing safe, clean, local and upscale housing a short walk from thousands of "downtown jobs." There are no projected financial downsides to this project. The building gets returned to rent rolls at a higher level than before, it is filled with consumers and workforce to support the health and general wellness of the urban center that is the City of Albany.

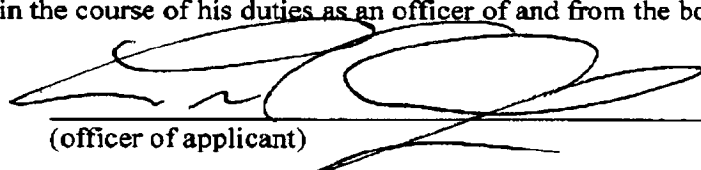
VERIFICATION

(If Applicant is a Limited Liability Company)


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

Louis W. Chicatelli, Jr. deposes and says that he is the
(Name of chief executive of applicant)

MANAGING MEMEBER of MORRIS STREET DEVELOPMENT, LLC,
the limited liability company named in the attached application; that he has read the foregoing application
and knows the contents thereof; and that the same is true and complete and accurate to the best of his
knowledge. Deponent further says that the reason this verification is made by the deponent and not by
said company is because the said company is a limited liability company. The grounds of deponent's
belief relative to all matters in the said application which are not stated upon his own personal knowledge
are investigations which deponent has caused to be made concerning the subject matter of this application
as well as information acquired by deponent in the course of his duties as an officer of and from the books
and papers of said limited liability company.


(officer of applicant)

Sworn to before me this
6 day of October 2010.


DEBORAH EMERLE
Notary Public, State of New York
No. 01HE5073760
Qualified in Saratoga County
Commission Expires March 3, 2011

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 14 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.


LOUIS W. CHICATELLI, JR.

Sworn to before me this
6 day of ~~December~~, 2010.

October



Notary Public

Notary Public, State of New York

No. 01HE5073760

Qualified in Saratoga County

Commission Expires March 3, *2011*

**URTIP AND FINAL APPROVING RESOLUTION
MORRIS STREET DEVELOPMENT, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. 1010-_____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS WITH RESPECT TO THE MORRIS STREET DEVELOPMENT, 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, in September, 2010, Morris Street Development, 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 .07 acres located at 70 Morris Street in the City of Albany, Albany County, New York (the “Land”), together with the existing apartment building containing approximately 10,096 square feet of space located thereon (the “Facility”), (2) the renovation of the Facility and (3) the acquisition and installation therein and thereon of various 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 and operated by the Company and leased to various tenants for residential 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 October 21, 2010 (the “SEQR Resolution”), the Agency (A) concurred in the determination by the City of Albany Board of Zoning Appeals (the “Board of Zoning Appeals”) to act as “lead agency” with respect to the Project and (B) indicated that the Agency had no information to suggest that the Board of Zoning Appeals 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, in order to consummate the Project and the granting of the Financial Assistance, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a lease agreement (and a memorandum thereof) dated as of October 1, 2010 (the “Lease Agreement”) which, among other things, the Company agrees to undertake and complete 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; (B) a payment in lieu of tax agreement dated as of October 1, 2010 (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; (C) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents, including, without limitation, an assignment of leases and rents, all in form and content reasonably acceptable to the Special Counsel for the Agency (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 (D) 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. 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; and

(B) The Project constitutes a “project” within the meaning of the Act; and

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

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

(E) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in Section 2(D) of this Resolution, 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; and

(F) Upon compliance with the provisions of the Act, the Agency would then be authorized under the Act to undertake the Project in order to 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

(G) The Project Facility is eligible for URTIP benefits in the Payment in Lieu of Tax Agreement, in accordance with the Agency’s URTIP; and

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

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire an interest in the Land and all the improvements now or hereafter located on the Land (collectively the “Premises”) from the Company; (C) acquire, install, reconstruct and renovate the Project Facility, or cause the Project Facility to be acquired, installed, reconstructed and renovated (D) lease the Project Facility to the Company pursuant to the Lease Agreement; (E) enter into the Payment in Lieu of Tax Agreement; (F) secure the Loan by entering into the Mortgage; and (G) grant the Financial Assistance with respect to the Project.

Section 3. The Agency is hereby authorized to acquire title to the Project Facility pursuant to (A) a lease to agency dated as of October 1, 2010 (the “Lease to Agency”) from the Company to the Agency

and (B) a bill of sale dated as of October 1, 2010 (the "Bill of Sale to Agency") from the Company to the Agency and 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 4. The Agency is hereby authorized to acquire, install, reconstruct and renovate 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.

Section 5. The form and substance of the Agency Documents (in substantially the forms presented to this meeting) are hereby approved.

Section 6. (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 substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto 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 7. 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 8. 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	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The 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 October 21, 2010 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 October, 2010.

(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
COLUMBIA 425 NS LLC PROJECT**

I. PROJECT IDENTIFICATION:

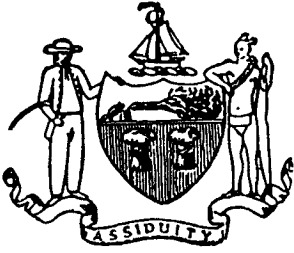
1. Project Applicant: Columbia 425 NS LLC, a limited liability company organized and existing under the laws of the State of New York (the "Company").
2. The Project:
 - (A) Acquisition of Land: the acquisition of an interest in 2 parcels of land containing in the aggregate approximately .54 acres of land located at 413 and 425 New Scotland Avenue in the City of Albany, Albany County, New York (the "Land"), together with an existing building containing approximately 31,104 square feet of space located thereon (the "Facility").
 - (B) Construction: the reconstruction and renovation 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 (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility").
 - (D) Lease: The Project Facility will be leased by the Agency to the Company pursuant to a lease agreement dated as of October 1, 2010 (the "Lease Agreement") by and between the Agency and the Company, which Project Facility will be owned by the Company and leased to Care for Life (the "Tenant") for use by the tenant as a senior care and medical facility and other directly and indirectly related activities.

II. PRIOR ACTION ON PROJECT:

3. SEQR Compliance:
 - (A) SEQR classification of the Initial Project: Negative Declaration.
 - (B) SEQR Lead Agency: City of Albany Planning Board.
 - (C) Date of Lead Agency Action: October 7, 2010.
 - (D) Date of Agency Action: October 21, 2010.
4. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on September 16, 2010.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: October 7, 2010.
 - (2) Date Posted: October 8, 2010.
 - (3) Published in Albany Times Union: October 8, 2010.
 - (4) Date of Public Hearing: October 21, 2010.
 - (5) Location of Public Hearing: the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York.
 - (C) Pilot Deviation Resolution: if a PILOT deviation is approved by the Agency, it will be considered at the November meeting of the Agency.
 - (D) Approving Resolution: to be adopted on October 21, 2010.

III. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

7. Relationship of Agency to Company: The Agency will acquire, construct, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
8. Business Terms:
 - (A) Payments in Lieu of Taxes: The Company has requested that the Agency consider a deviation from the Agency's Uniform Tax Exemption Policy with respect to the Project. The Agency staff has considered the request and will make a recommendation to the members of the Agency at the October, 2010 meeting of the Agency. If the members of the Agency agree to consider the Company's request for a deviation, the Agency will prepare the necessary deviation notice letter and send it to the Affected Taxing Jurisdictions. The proposed the deviation will then be considered for approval by the Agency at the November meeting of the Agency.
 - (B) Agency fee estimated \$30,542.55 ($\frac{3}{4}$ of 1% of the Project costs of \$4,072,340).
9. 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.
10. Proposed Closing Date: expected to be November, 2010.
11. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.



CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING

GERALD D. JENNINGS
Mayor

MICHAEL J. YEVOLI
Commissioner

October 13, 2010

ECONOMIC DEVELOPMENT
21 Lodge Street
Albany, NY 12207
518.434.2532
(f) 518.434.9846
Development@ci.albany.ny.us

**NEIGHBORHOOD &
LONG-RANGE PLANNING**
21 Lodge Street
Albany, NY 12207
518.434.2532
(f) 518.434.9846
Albany2030@ci.albany.ny.us

LAND USE PLANNING
Board of Zoning Appeals, Planning Board,
Historic Resources Commission
200 Henry Johnson Boulevard
Albany, NY 12210
518.434.5240
(f) 518.434.5294
Planning@ci.albany.ny.us

**ALBANY COMMUNITY
DEVELOPMENT AGENCY**
200 Henry Johnson Boulevard
Albany, NY 12210
518.434.5265
(f) 518.434.5242

Mr. Anthony J. Ferrara, Chairman
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

Re: 425 New Scotland Ave.- Care for Life project

Dear Mr. Ferrara:

On October 7, 2010, at its regular meeting, the Planning Board issued a final Site Plan Approval and a Negative Declaration of Environmental Significance for the above-referenced project. A copy of the Environmental Assessment Form evaluated by the Board is attached for your records.

If you have any questions or require additional information feel free to contact me at (518) 434-5250.

Sincerely,

John Szczesny
Senior Planner

Enc.

SHORT ENVIRONMENTAL ASSESSMENT FORM

INSTRUCTIONS:

In order to answer the questions in this short EAF it is assumed that the preparer will use currently available information concerning the project and the likely impacts of the action. It is not expected that additional studies research or other investigations will be undertaken.

ENVIRONMENTAL ASSESSMENT

1. Will the project result in a large physical change to the project site or physically alter more than 10 acres of land?..... ☐ Yes ☒ No
2. Will there be a major change to any unique or unusual landform found on this site?..... ☐ Yes ☒ No
3. Will project alter or have a large effect on an existing body of water?..... ☐ Yes ☒ No
4. Will project have a potentially large impact on groundwater quality? ☐ Yes ☒ No
5. Will project significantly affect drainage flow or air quality?..... ☐ Yes ☒ No
6. Will project affect any threatened or endangered plant or animal species... ☐ Yes ☒ No
7. Will project result in a major adverse impact on air quality?..... ☐ Yes ☒ No
8. Will project have a major effect on visual character of the community or scenic views or vistas known to be or important to the community?... ☐ Yes ☒ No
9. Will project adversely impact any site or structure of historic, prehistoric or paleontological importance or any site designated as a critical environmental area by a local agency?..... ☐ Yes ☒ No
10. Will project have a major effect on existing or future recreational opportunities? ☐ Yes ☒ No
11. Will project result in major traffic problems or cause a major impact on existing transportation systems?..... ☐ Yes ☒ No
12. Will project regularly cause objectionable odors, noise, glare, vibration, or electrical disturbances as a result of the project's operation?..... ☐ Yes ☒ No
13. Will project have any impact on public health or safety?..... ☐ Yes ☒ No
14. Will project affect the existing community by directly causing a growth? in permanent population of more than 5% over a one-year period or have a major negative effect on the character of the community or neighborhood?..... ☐ Yes ☒ No
15. Is there any public controversy concerning the project?..... ☐ Yes ☐ No ☒ Unknown

PREPARER'S SIGNATURE:  TITLE: Managing Partner Hershberg & Hershberg

REPRESENTING: Daniel R. Hershberg, Engineer for the Applicant DATE: August 23, 2010

**SEQR RESOLUTION
COLUMBIA 425 NS LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. 1010-____

**RESOLUTION ACCEPTING THE DETERMINATION BY THE CITY OF ALBANY
PLANNING BOARD TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL
REVIEW OF THE COLUMBIA 425 NS LLC PROJECT AND ACKNOWLEDGING
RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT
THERETO**

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 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 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 September, 2010, Columbia 425 NS 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 2 parcels of land containing in the aggregate approximately .54 acres of land located at 413 and 425 New Scotland Avenue in the City of Albany, Albany County, New York (collectively, the “Land”), together with an existing building containing approximately 31,104 square feet of space located thereon (the “Facility”), (2) the reconstruction and renovation 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 (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 Care for Life (the “Tenant”) for use by the tenant as a senior care and medical 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 property 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 16, 2010 (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 7, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on October 8, 2010 on a bulletin board located at the City Hall Rotunda 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 October 8, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on October 21, 2010 at 12:00 o’clock p.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) shall prepare a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public

Hearing and shall file same in the files of the Agency and distribute same to the Mayor of the City of Albany, New York (the "Mayor"); 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 (A) the City of Albany Planning Board (the "Planning Board") was designated to act as the "lead agency" with respect to the Project and (B) on October 7, 2010 the Planning Board determined that that the Project is an "unlisted action" which will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project and issued a negative declaration with respect thereto (the "Negative Declaration"); and

WHEREAS, at the time that the Planning Board determined itself to be the "lead agency" with respect to the Project, it was not known that the Agency was an "involved agency" with respect to the Project, and, now that the Agency has become an "involved agency" with respect to the Project, the Agency desires to concur in the designation of the Planning Board as "lead agency" with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate 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 SEQRA;

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

Section 1. (A) The Agency has received copies of, and has reviewed, the Application, an environmental assessment form prepared by the Company and the Negative Declaration (collectively, the "Reviewed Documents") and, based upon said Reviewed Documents and the representations made by the Company to the Agency at this meeting, the Agency hereby ratifies and concurs in the designation of the Planning Board as "lead agency" with respect to the Project (as such quoted term is defined in SEQRA).

(B) 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 SEQRA (as such quoted phrase is used in SEQRA).

Section 2. 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	_____
Willard A. Bruce	VOTING	_____
Susan Peto	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	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 October 21, 2010 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 October, 2010.

(Assistant) Secretary

(SEAL)

**APPROVING RESOLUTION
COLUMBIA 425 NS LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. 1010-_____

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR COLUMBIA
425 NS 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 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 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 September, 2010, Columbia 425 NS 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 2 parcels of land containing in the aggregate approximately .54 acres of land located at 413 and 425 New Scotland Avenue in the City of Albany, Albany County, New York (collectively, the “Land”), together with an existing building containing approximately 31,104 square feet of space located thereon (the “Facility”), (2) the reconstruction and renovation 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 (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 Care for Life (the “Tenant”) for use by the tenant as a senior care and medical 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 property 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 16, 2010 (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 7, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on October 8, 2010 on a bulletin board located at the City Hall Rotunda 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 October 8, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on October 21, 2010 at 12:00 o’clock p.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) shall prepare a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and shall file same in the files of the Agency and distribute same to the Mayor of the City of Albany, New York (the “Mayor”); 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 October 21, 2010 (the “SEQR Resolution”), the Agency (A) concurred in the determination by the City of Albany Planning Board (the “Planning Board”) to act as “lead agency” with respect to the Project and (B) indicated that the Agency had no information to suggest that the Planning Board 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, 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) if the Company intends to finance the Project with borrowed money, one or more mortgages and any other security documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lenders with respect to the Project (the “Lender”), which Mortgage will grant liens on and security interests in the Project Facility to secure one or more loans from the Lender to the Company with respect to the Project (collectively, the “Loan”); (F) all building loan and other agreements requested by the Lender in connection with the Loan (collectively with the Mortgage, the “Loan Documents”); and (G) 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 \$4,072,340;

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

(F) 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;

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

(H) 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) proceed with the Project; (B) acquire the Project Facility; (C) lease the Project Facility to the Company pursuant to the Lease Agreement; (D) enter into the Payment in Lieu of Tax Agreement; (E) secure the Loan by entering into the Loan Documents; and (F) 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	_____
Willard A. Bruce	VOTING	_____
Susan Pado	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	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 October 21, 2010 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 October, 2010.

(Assistant) Secretary

(SEAL)

A. Joseph Scott, III
Partner
Direct Dial: 518.433.2419
ascott@hodgsonruss.com

October 7, 2010

Via E-Mail

Erik Smith, CFO
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

Re: City of Albany Industrial Development Agency
Public Authorities Reform Act of 2009 Compliance

Dear Mr. Smith:

This letter is a follow-up to several conversations we have had regarding the above referenced matters. On December 11, 2009, Assembly Bill No. 40012 of the year 2009, commonly referred to as the Public Authorities Reform Act, was signed into law as Chapter 506 of the 2009 Laws of the State of New York (the "2009 Act"). The 2009 Act became effective on March 1, 2009, and amends the Public Authorities Law and the Executive Law of the State of New York. We are working with a number of industrial development agencies in order to ensure compliance with the provisions of the 2009 Act.

Attached as **Schedule A** to this letter is a summary of the actions required to be taken by industrial development agencies. We would certainly welcome the opportunity to work with you to ensure compliance with the 2009 Act by the City of Albany Industrial Development Agency. As you are well aware, we have worked with you and Agency Counsel in the past on these matters.

We would estimate our charges as special counsel to the Agency in completing the work described in Schedule A attached to be in the range of \$2 -3,000, based on our normal hourly rates.

Lastly, you may also want to consider scheduling a training session for the members of the Agency. As you will recall, my firm is a certified trainer by the Authority Budget Office. We are well aware that the practice of the Agency is to have members attend the January NYSEDC Training Session. If you want to have a different option, we would be very interested in providing a similar service to the Agency and we would be able to do so as part of the estimate of services described above.

Please review the items referenced on **Schedule A** and contact me with any comments, questions or concerns. We look forward to the opportunity to work with you on this matter.

Best regards,

Erik Smith, CFO
October 7, 2010
Page 2

A. Joseph Scott, III

cc: John J. Reilly, Agency Counsel

SCHEDULE A

PUBLIC AUTHORITIES REFORM ACT CHECKLIST

1. Prepare the following items:
 - a. Mission Statement
 - b. Performance Measures
 - c. Statement of Intent (used to guide the Agency's issuance of debt)
 - d. Personnel Reports
2. Revise/Create Policies:
 - a. Property Disposition Policy
 - b. Officer Discharge Policy
3. Create the following committees:
 - a. Finance Committee
4. Amend the By-Laws to provide for the following:
 - a. Finance Committee
 - b. Add Fiduciary Duty requirements
5. Address the additional items required by the Annual Audits and Financial Reports
6. Amend existing IDA Policy Manual to incorporate modifications under the 2009 Act

**RESOLUTION AUTHORIZING CONVEYANCE AND ASSIGNMENT
CAPITAL DISTRICT PHYSICIAN'S HEALTH PLAN PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
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 CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE CONVEYANCE
OF THE CAPITAL DISTRICT PHYSICIAN'S HEALTH PLAN PROJECT.**

WHEREAS, 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 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, on or about December 1, 2000, the Agency executed and delivered a lease agreement dated as of December 1, 2000 (the “Lease Agreement”) with Washington Ave. Campus, LLC (the “Company”) to assist the Company in undertaking a certain commercial project (the “Project”); and

WHEREAS, the Project consisted of the following: (A) (1) the acquisition of an interest in an approximately 10.79 acre parcel of real estate located at Washington Avenue, City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of an approximately 180,000 square foot building (the “Facility”), and (3) the acquisition and installation in the Facility 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”).

WHEREAS, in connection with the execution and delivery of the Lease Agreement, the Agency entered into the Basic Documents (as defined in the Lease Agreement), including a payment in lieu of tax agreement that was entered into by and between the Agency and the Company (the “PILOT Agreement”); and

WHEREAS, counsel to the Company has advised the Agency that the Company desires to convey the Project Facility to Healthcare Trust of America, Inc. (or its assignee) (the “Purchaser”) and, in connection with such conveyance, provide for the assignment of the Basic Documents from the Company to the Purchaser, as described in the letter attached as **Schedule A**; and

WHEREAS, the Lease Agreement provides that the Company is prohibited from assigning the Lease Agreement or selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Agency; and

WHEREAS, in connection with the conveyance of the Project Facility, the Company and the Purchaser have requested (the “Request”) that the Agency execute documents providing for the following (the “Conveyance Documents”): (A) the consent by the Agency of the conveyance of the Project Facility and the assignment and assumption of Basic Documents from the Company to the Purchaser, and (B) the potential granting of an additional mortgage and security interest on the Project Facility; 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 execution and delivery of the Conveyance Documents; and

WHEREAS, pursuant to SEQRA, the Agency has reviewed the Request in order to make a determination as to whether the execution and delivery of the Conveyance Documents is subject to SEQRA, and it appears that the Request is not an “Action” under SEQRA;

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

Section 1. Pursuant to SEQRA, the approval of the Request is not an “Action” under SEQRA and therefore is not subject to SEQRA review by the Agency.

Section 2. The Agency hereby approves the Request and the execution of the Conveyance Documents; provided, however, that such consent is contingent upon (A) the written consent by any holder of any mortgage on the Project Facility, if required, (B) approval by Agency Counsel and Special Agency Counsel to the form of the Conveyance Documents, (C) compliance with the terms and conditions contained in the Basic Documents, (D) evidence satisfactory to the Agency that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility, if any, have been paid by the Company, (E) the payment by the Company or the Purchaser, as applicable, of the administrative fee of the Agency, and all other fees and expenses of the Agency in connection with the delivery of the Conveyance Documents, including the fees of Agency Counsel and Special Agency Counsel, (F) the Purchaser providing the Agency with a brief written description of the Purchaser and its operations, which description should include a copy of the Purchaser’s mission statement and most recent brochures, and (G) the following additional conditions: _____.

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 Conveyance Documents and the modified Basic Documents to provide for the Request, 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, with terms and conditions 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 Request, 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 Request.

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	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned, (Assistant) Secretary of the 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 October 21, 2010, 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 of such Resolution set forth therein and insofar 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 respect 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 public 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 21st day of October, 2010.

(Assistant) Secretary

(S E A L)

SCHEDULE A
COMPANY COUNSEL LETTER

SEGEL, GOLDMAN, MAZZOTTA & SIEGEL, P.C.

Attorneys and Counselors at Law

9 WASHINGTON SQUARE
ALBANY, NEW YORK 12205

TELEPHONE: (518) 452-0941
FAX: (518) 452-0417

Debra J. Lambek
dlambek@sgmalbany.com

October 5, 2010

Via Email to smithe@ci.albany.ny.us

Via Email to ascott@hodgsonruss.com

Mr. Erik Smith
City of Albany
Industrial Development Agency
21 Lodge Street
Albany, NY 12207

A. Joseph Scott, III, Esq.
Hodgson Russ LLP
677 Broadway, Suite 301
Albany, New York 12207

Re: Washington Ave. Campus, LLC ("Company")
with City of Albany Industrial Development Agency ("Agency")
Capital District Physician's Health Plan Project

Dear Erik and Joe:

On or about December 1, 2000, the Agency entered into that certain project (the "Project") consisting of the (1) the acquisition of an interest in an approximately 10.79 acre parcel of real estate located at Washington Avenue, City of Albany, Albany County, New York (the "Land"), (2) the construction on the Land of an approximately 180,000 square foot building (the "Facility"), and (3) the acquisition and installation in the Facility 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").

In connection with the Project, the Agency granted a Payment in Lieu of Tax Agreement dated as of August 17, 2000 with an effective date as of March 2, 2001 (the "PILOT Agreement") to the Company which is still in effect. The Company desires to sell the Project and therefore assign the PILOT Agreement to Healthcare Trust of America, Inc. (or its assignee). Since the PILOT Agreement is still in effect, pursuant to the terms and conditions of that certain lease agreement by and between the Agency and the Company, the Agency's consent is required to such assignment.

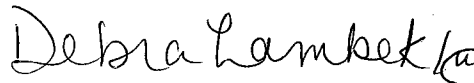
SEGEL, GOLDMAN, MAZZOTTA & SIEGEL, P.C.

Attorney and Counselors at Law

Please let me know if you require any additional information or documentation in order to review this request. Thank you for your courtesies.

Very truly yours,

SEGEL, GOLDMAN, MAZZOTTA & SIEGEL, P.C.

A handwritten signature in black ink, appearing to read "Debra Lambek" with a stylized flourish at the end.

Debra J. Lambek

DJL/mml

cc: Joseph R. Nicolla, Columbia Development Companies

**RESOLUTION AUTHORIZING RELEASE OF PARCELS
ALBANY MEDICAL CENTER/ALBANY MEDICAL CENTER HOSPITAL**

A regular meeting of City of Albany Industrial Development Agency (the "Issuer") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on October 21, 2010 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
Willard A. Bruce	Vice Chairman
Susan Pado	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Maria Pidgeon	Senior Economic Developer - Capitalize Albany Corporation
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE RELEASE OF CERTAIN PARCELS OF LAND FROM THE LEASES, INSTALLMENT SALE AGREEMENTS AND OTHER DOCUMENTS IN CONNECTION WITH PRIOR PROJECTS THAT HAVE BEEN UNDERTAKEN FOR ALBANY MEDICAL CENTER AND ALBANY MEDICAL CENTER HOSPITAL BY THE CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY.

WHEREAS, the Issuer 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 manufacturing, warehouse 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 Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of acquisition, construction, reconstruction and installation of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and install said projects 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, pursuant to the terms of various indentures (collectively, the “Indentures”) entered into by the Agency for the benefit of Albany Medical Center and Albany Medical Center Hospital (collectively, the “Institutions”), the Agency has issued the bonds more specifically described in the following table (collectively, the “Bonds”) to finance a variety of projects for the Institutions:

Borrower	Bond Description
Albany Medical Center	City of Albany Industrial Development Agency Civic Facility Revenue Bonds (Albany Medical Center Project), Series 1999 in the principal amount of \$12,745,000.
Albany Medical Center Hospital	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2005A in the Aggregate Principal Amount of \$10,000,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2005B in the Aggregate Principal Amount of \$3,000,000.</p>
Albany Medical Center	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2006A in the Aggregate Principal Amount of \$4,800,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2006B in the Aggregate Principal Amount of \$4,470,000.</p>
Albany Medical Center Hospital	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006A in the Aggregate Principal Amount of \$5,855,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility</p>

	Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006B in the Aggregate Principal Amount of \$1,000,000.
Albany Medical Center Project	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2007A in the Aggregate Principal Amount of \$3,020,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2007B in the Aggregate Principal Amount of \$535,000.</p>
Albany Medical Center Hospital	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007A in the Aggregate Principal Amount of \$6,645,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007B in the Aggregate Principal Amount of \$2,335,000.</p>
Albany Medical Center Hospital	<p>Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007C in the Aggregate Principal Amount of \$13,160,000.</p> <p>Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2007D in the Aggregate Principal Amount of \$1,465,000.</p>

WHEREAS, the issuance of the Bonds for the benefit of the Institutions is structured to include various leases and licenses between the Issuer and the Institutions (collectively, the “Leases”), and the repayment of the Bonds is secured by various mortgage or mortgages, installment sale agreements, and other security instruments (collectively, the “Security Documents”) that encumber various parcels of land in the City of Albany (collectively, the “Land”); and

WHEREAS, the Institutions are in the process of obtaining additional financing (the “New Financing”) that will be used by the Institutions to undertake a new project (the “New Project”), as further described in a letter from counsel to the Institutions, attached as Schedule A to this resolution; and

WHEREAS, the New Financing will require the Institutions to pledge certain parcels of the Land as security for the repayment of the New Financing; and

WHEREAS, to allow the Institutions to pledge certain parcels of the Land, the Institutions have advised the Issuer that they desire to release (the “Release”) certain parcels of the Land (the “Released

Parcels”) from the Leases and Security Documents and have requested the consent of the Issuer to the Release; and

WHEREAS, under the terms of Bond Documents (as defined in the Indentures), the Institutions are prohibited from selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Issuer, the Trustee (as defined in the Indentures) and the Bank (as defined in the Indentures); and

WHEREAS, in connection with such release of the Released Parcels, the Institutions have requested that the Issuer consent to the Release and, where necessary, to modify the Bond Documents to reflect the release of the Released Parcels; and

WHEREAS, in connection with the release of the Released Parcels, the Institutions have requested the Issuer to enter into various documents to provide for the modification of the Bond Documents (collectively, the “Release Documents”); 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”), it appears that the release of the Release Parcels is not an “Action” under SEQRA and therefore is not subject to a SEQRA review by the Issuer;

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

Section 1. Pursuant to SEQRA, the release of the Released Parcels is not an “Action” under SEQRA and therefore is not subject to SEQRA review by the Issuer.

Section 2. The Issuer hereby consents to the Release and the execution of the Release Documents; provided, however, that such consent is contingent upon (A) the written consent by the Trustee, the Bank and the holders of the Bonds, if necessary, (B) approval by Issuer Counsel and Bond Counsel to the form of the Release Documents, (C) compliance with the terms and conditions contained in the Bond Documents, (D) evidence satisfactory to the Issuer that all payments in lieu of taxes, if any, and other local fees and assessments relating to the Project Facility, if any, have been paid by the Institutions and (E) the payment by the Institutions of the administrative fee of the Issuer, if any, and all other fees and expenses of the Issuer in connection with the delivery of the Release Documents, including the fees of Issuer Counsel and Bond Counsel.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairperson (or Vice Chairperson) of the Issuer is hereby authorized to execute and deliver the Release Documents and the modified Bond Documents to reflect the Release, and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer 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 Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Release, 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 Issuer with all of the terms, covenants and provisions of the Release.

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	_____
Willard A. Bruce	VOTING	_____
Susan Peto	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned, (Assistant) Secretary of the City of Albany Industrial Development Agency (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Issuer, including the Resolution contained therein, held on October 21, 2010, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Issuer and of such Resolution set forth therein and insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer had due notice of said meeting; (B) said meeting was in all respect 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 public 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 Issuer 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 Issuer this 21st day of October, 2010.

(Assistant) Secretary

(S E A L)

SCHEDULE A

LETTER FROM COUNSEL TO THE INSTITUTIONS



BOND, SCHOENECK & KING, PLLC

ATTORNEYS AT LAW ■ NEW YORK FLORIDA KANSAS

EDWIN J. KELLEY, JR.
Direct: 315-218-8123
ekelley@bsk.com

September 15, 2010

VIA E-MAIL

A. Joseph Scott, Esq.
Hodgson Russ LLP
677 Broadway, Suite 301
Albany, NY 12207

Re: Albany Medical Center Hospital/Albany Medical Center – Termination of IDA
Property Interests

Dear Joe:

We are writing to you as bond counsel for the City of Albany Industrial Development Agency (the "Agency") to request the Agency authorize the execution and delivery of certain documents that will be required in connection with Albany Medical Center Hospital's (the "Hospital") proposed expansion of its facilities located at 43 New Scotland Avenue.

As part of the Hospital's expansion, the Hospital will be obtaining mortgage insurance from the Department of Housing and Urban Development ("HUD"). HUD will require the Hospital to mortgage the Hospital's main campus located at 43 New Scotland Avenue, the Hospital's parking garage located at 60 New Scotland Avenue and the former Child Hospital facility located at 25 Hackett Boulevard that is beneficially owned by Albany Medical Center (the "Center").

The Agency currently has various interests in the properties to be mortgaged as a result of the Agency's 1999, 2005, 2006 and 2007 bond issues for the Hospital and Center. HUD will require that the Agency's interests in the mortgaged properties be terminated. With the exception of the Agency's Series 1999 Bonds, the Agency's prior bond issues for the Hospital and Center will remain outstanding. Current plans are for the Series 1999 Bonds to be redeemed in full as part of the financing of the Hospital's expansion.

We would request that the Agency at its next meeting approve the Agency's execution and delivery of the necessary documents that may be required by HUD and/or the title company in order for the Hospital to complete the financing for the expansion of the Hospital's facilities subject to Agency counsel review and approval. We will, in the near future, send to you proposed documents for your review and comment.

A. Joseph Scott, Esq.
September 15, 2010
Page 2

If you need any further information, please contact me.

Very truly yours,

BOND, SCHOENECK & KING, PLLC


Edwin J. Kelley, Jr.

EJK/cma

cc: Ms. Frances Spreer Albert (via e-mail)
Lee R. Hessberg, Esq. (via e-mail)