

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 Peto, *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 Mike Yevoli
Willard A. Bruce Joe Scott
Kathy Sheehan Jeff Sullivan
Susan Peto John Reilly
Gary Simpson Erik Smith
Prairie Wells Megan Daly
Martin Daley City Clerk

Date: May 13, 2011

AGENDA

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday, May 19, 2011** at **12:15PM** at the offices Capitalize Albany Corporation, 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Reading of Minutes of the Regular Meeting (April) of May 6, 2011

Approval of Minutes of the Regular Meeting (April) of May 6, 2011

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- Financial Report

Communications

Unfinished Business

- Columbia Harriman 455 Project Synopsis
- Columbia Harriman 455 Project SEQR Resolution
- Columbia Harriman 455 Project PILOT Deviation Resolution
- Columbia Harriman 455 Project Final Straight Lease Approval Resolution

New Business

- Albany Hotel, Inc. Public Hearing Resolution
- Sixty State Place, LLC Public Hearing Resolution

Other Business

Adjournment

* The next regularly scheduled meeting is Thursday June 16, 2011 at the offices of the Capitalize Corporation, 21 Lodge Street, Albany, NY 12207

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IDA MINUTES OF REGULAR MEETING (April) Friday, May 6, 2011

Attending: Anthony Ferrara, Bill Bruce, Susan Pedo, Prairie Wells, Kathy Sheehan & Martin Daley

Absent: Gary Simpson

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

Chairman Ferrara called the regular meeting of the IDA to order at 12.15PM.

Roll Call

Chairman Ferrara reported that all Board Members were present with the exception of Gary Simpson.

Reading of Minutes of the Regular Meeting of March 17, 2011

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 March 17, 2011

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 Bill Bruce and seconded by Kathy Sheehan. A vote being taken, the minutes were accepted unanimously.

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

Unfinished Business

Columbia Harriman 455, LLC

The items relating to the above item as listed on the agenda were tabled until the next meeting date due to the fact that the primary representative was unable to attend this meeting.

39 Sheridan Realty, LLC Project Synopsis

Joe Scott reviewed the synopsis with the Board.

39 Sheridan Realty, LLC Commercial Findings Resolution

Joe Scott reviewed the Resolution with the Board explaining that the Resolution outlines the reasons why this project can be considered a commercial project.

Chairman Ferrara presented the 39 Sheridan Realty, LLC Commercial Findings Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

39 Sheridan Realty, LLC SEQR Resolution

Joe Scott reviewed the Resolution with the Board explaining that the findings determined that this project would not have a significant effect on the environment.

Chairman Ferrara presented the 39 Sheridan Realty, LLC SEQR Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Martin Daley. A vote being taken, the Resolution passed unanimously.

39 Sheridan Realty, LLC PILOT Deviation Resolution

Joe Scott reviewed the Resolution with the Board. He pointed out that the terms for the PILOT Deviation as suggested by the staff are listed in the Resolution. The PILOT Deviation letter was sent to all the effected taxing jurisdictions – there was no response from any of the taxing jurisdictions regarding the notice.

Chairman Ferrara presented the 39 Sheridan Realty, LLC PILOT Deviation Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Bill Bruce. Kathy Sheehan noted that she was prepared to vote “yes” on this Resolution based on the staff’s commitment to develop, with the Board, a comprehensive strategy so that the type of incentive offered to this project is not a precedent for all future projects, particularly downtown residential projects that occur after initial goals for downtown residential development have been met. Martin Daley concurred with Ms. Sheehan’s remarks. Some discussion followed. A vote being taken, the Resolution passed unanimously.

39 Sheridan Realty, LLC Straight Lease Approval Resolution

Joe Scott reviewed the Resolution with the Board. Kathy Sheehan asked if there was a change in ownership of the project would it have to come before the Board again or is it assignable? Mr. Scott answered that it would have to come back before the Board for it’s consent.

Chairman Ferrara presented the 39 Sheridan Realty, LLC Straight Lease Approval Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Martin Daley. A vote being taken, the Resolution passed unanimously.

College of Saint Rose 2007 Project Approval of Amendments Resolution

Joe Scott reviewed the Resolution with the Board. The amendments would change the 2007 project to a variable rate bond issue with a letter of credit as the primary security for the bond holders from an auction rate securities transaction with a bond insurer as the primary security provider.

Chairman Ferrara presented the College of Saint Rose 2007 Project Approval of Amendments Resolution to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

New Business

New Covenant Charter School Approval of Sublease Amendments

Mike Yevoli explained that this item would be tabled due to anticipated changes to the documents regarding the sublease.

The Spanos Corporation Public Hearing Resolution

Mike Yevoli advised the Board that the project had initially received some tax abatements offered by the Empire Zone Program but are applying to the IDA in order to extend the tax abatements over a longer period of time to insure the projects long term goals or offering this type of desired living in the City of Albany.

Chuck Cronin, representing the project, made a presentation to the Board highlighting a comparison of the tax structure of similar type housing projects in the surrounding communities of Albany. He stressed the tremendous demand for this type of Class A living throughout this area as illustrated by the high occupancy rates. Prairie Wells asked Mr. Cronin to provide the Board with a copy of the presentation. He agreed to provide the copies of his presentation. Some discussion followed. Kathy Sheehan requested that staff provide information on how the tax rates and assessments in other comparable communities compared to that of Albany in order to understand the significant differences as illustrated in Mr. Cronin's presentation. Some additional discussion followed.

Chairman Ferrara presented the Spanos Corporation Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Bill Bruce. A vote being taken, the Resolution passed unanimously.

SRS Albany, LLC Public Hearing Resolution

Joe Nicolla, representing the project, presented an overview of the project to the Board which would consist of the acquisition of approximately 7.95 acre parcel of land located on Central Avenue and construction of an approximately 23,644 square foot facility to house OTB and an approximate 65,000 square foot facility to house a Shop Rite Supermarket along with surface parking and related amenities. He noted that the approximate project cost would be approximately \$21 million and would create an estimated 335 new jobs (full and part time).

Chairman Ferrara presented the SRS Albany, LLC Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Prairie Wells and seconded by Katy Sheehan. A vote being taken, the Resolution passed unanimously.

Reports of Committees

None

Report of Chief Executive Officer

Mike Yevoli advised the Board that Maria Pidgeon and Josh Poupore had both recently left our staff and that shortage of staff may delay the setting up of the strategic planning session(s).

Report of Chief Financial Officer

Erik Smith reviewed the financial report with the Board. He noted that taking into account the income items as itemized in the report, we are estimating ending the year with approximately just over \$179,000 cash.

Communications

None

Other Business

None

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

Respectfully submitted,

Susan Pedo, Secretary

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City of Albany IDA
2011 Monthly Cash Position
April 2011

	ACTUAL				PROJECTED								
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 250,836	\$ 238,790	\$ 244,415	\$ 265,007	\$ 252,265	\$ 248,078	\$ 393,070	\$ 379,132	\$ 370,445	\$ 347,507	\$ 333,570	\$ 324,882	\$ 250,836
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ 4,500	\$ -	\$ -	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Agency Fee	-	-	\$ 25,159	-	-	168,630	-	-	-	-	-	-	193,789
Administrative Fee	500	-	-	-	-	500	-	-	-	-	-	-	1,000
Modification Fee	1,000	1,500	-	-	-	-	-	-	-	-	-	-	2,500
Subtotal - Fee Revenue	<u>\$ 1,500</u>	<u>\$ 6,000</u>	<u>\$ 25,159</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 169,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,289</u>
Other Revenue													
Loan Repayments - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Repayments - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	37	33	39	37	42	42	42	42	42	42	42	42	479
Sale of Agency Property	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Other Revenue	<u>\$ 37</u>	<u>\$ 33</u>	<u>\$ 39</u>	<u>\$ 37</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 479</u>
Total - Revenue	<u>\$ 1,537</u>	<u>\$ 6,033</u>	<u>\$ 25,198</u>	<u>\$ 37</u>	<u>\$ 4,542</u>	<u>\$ 169,171</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 206,768</u>
Expenditures													
Management Contract	\$ 8,333	\$ -	\$ -	\$ 1,053	\$ 8,542	\$ 8,542	\$ 8,542	\$ 8,542	\$ 8,542	\$ 8,542	\$ 8,542	\$ 8,540	\$ 77,718
APA Contract	5,250	-	-	5,250	-	-	5,250	-	-	5,250	-	-	21,000
Audits	-	-	4,500	2,100	-	-	-	-	-	-	-	-	6,600
Agency Counsel	-	-	-	-	-	-	-	-	-	-	-	17,219	17,219
ED Support	-	-	-	4,224	-	14,250	-	-	14,250	-	-	14,250	46,974
Sub-lease AHCC	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	-	1,200	-	-	-	-	-	-	1,200
Misc.	-	409	105	153	188	188	188	188	188	188	188	188	2,166
Other Legal Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	<u>\$ 13,583</u>	<u>\$ 409</u>	<u>\$ 4,605</u>	<u>\$ 12,779</u>	<u>\$ 8,729</u>	<u>\$ 24,179</u>	<u>\$ 13,979</u>	<u>\$ 8,729</u>	<u>\$ 22,979</u>	<u>\$ 13,979</u>	<u>\$ 8,729</u>	<u>\$ 140,197</u>	<u>\$ 272,876</u>
Ending Balance	<u>\$ 238,790</u>	<u>\$ 244,415</u>	<u>\$ 265,007</u>	<u>\$ 252,265</u>	<u>\$ 248,078</u>	<u>\$ 393,070</u>	<u>\$ 379,132</u>	<u>\$ 370,445</u>	<u>\$ 347,507</u>	<u>\$ 333,570</u>	<u>\$ 324,882</u>	<u>\$ 184,728</u>	<u>\$ 184,728</u>

City of Albany IDA

Fee Detail by Month

April 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	South Mall Towers	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
	CDPHP	-	-	500	-	500
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ 500	\$ 1,000	\$ 1,500
<i>February</i>	Jetro Cash & Carry Restaurant Depot	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Madison Properties	-	-	-	1,500	
	39 Sheridan Realty, LLC	1,500				
	Spanos 255 PatroonCreek Blvd.	1,500	-	-	-	1,500
	TOTAL	\$ 4,500	\$ -	\$ -	\$ 1,500	\$ 6,000
<i>March</i>	FC DCI, LLC	\$ -	\$ 18,695	\$ -	\$ -	\$ 18,695
	Morris St. Development	-	6,464	-	-	6,464
	TOTAL	\$ -	\$ 25,159	\$ -	\$ -	\$ 25,159
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>	Sixty State Place, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Albany Hotel, Inc	1,500	-	-	-	1,500
	SRS Albany, LLC	1,500	-	\$ -	-	1,500
	TOTAL	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
<i>June</i>	Columbia 425 NS, LLC	\$ -	\$ 30,543	\$ -	\$ -	\$ 30,543
	Albany Medical Center	-	-	500	-	500
	Columbia Harriman 455, LLC	-	91,212	-	-	91,212
	39 Sheridan Realty, LLC	-	46,875	-	-	46,875
	TOTAL	\$ -	\$ 168,630	\$ 500	\$ -	\$ 169,130

City of Albany IDA

Fee Detail by Month

April 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>August</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>September</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>November</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2011 TOTAL	\$ 9,000 <i>Application Fee</i>	\$ 193,789 <i>Agency Fee</i>	\$ 1,000 <i>Administration Fee</i>	\$ 2,500 <i>Modification Fee</i>	\$ 206,289 <i>TOTAL FEE</i>

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
COLUMBIA HARRIMAN 455 LLC PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: Columbia Harriman 455 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 3.90 acres and located at a site currently having an address of 455 Patroon Creek Boulevard in the City of Albany, Albany County, New York (the “Land”).
 - (B) Construction: the construction on the Land of a new building to contain approximately 63,000 square feet of space (the “Facility”).
 - (C) Equipment component: the acquisition and installation therein and thereon of certain machinery and equipment (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 (the “Lease Agreement”) by and between the Agency and the Company, which Project Facility will be owned by the Company and leased to various medical office tenants for medical and other directly and indirectly related activities.

II. PRIOR ACTION ON PROJECT:

3. SEQR Compliance:
 - (A) SEQR classification of the Initial Project: Unlisted Action.
 - (B) SEQR Lead Agency: City of Albany Planning Board.
 - (C) Date of Lead Agency Action: December 9, 2010.
4. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on December 16, 2010.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: February 7, 2011.
 - (2) Date Posted: January 9, 2011.
 - (3) Published in Albany Times Union: January 9, 2011.
 - (4) Date of Public Hearing: January 20 and February 17, 2011.
 - (5) Location of Public Hearing: offices of the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York.
5. Payment In Lieu of Taxes:
 - (A) The Company Requested a Deviation from the Agency’s UTEP: November 2010.
 - (B) PILOT Deviation Letter Mailed to Affected Tax Jurisdictions: April 26, 2011.

III. PROPOSED AGENCY ACTION ON MAY 6, 2011:

6. SEQR Resolution: Confirming Findings of Planning Board.
7. PILOT Deviation Approval Resolution: Approving the terms of the requested PILOT.
8. Approving Resolution: Approving the Company's project and the proposed financial assistance.

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

9. Relationship of Agency to Company: The Agency will acquire, construct and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
10. Business Terms: The Agency fee is estimated to be \$90,000 ($\frac{3}{4}$ of 1% of the Project costs of \$12,000,000 (est)).
11. Basic Documents:
 - (A) Underlying Lease from the Company to the Agency.
 - (B) License Agreement from the Company to the Agency.
 - (C) Bill of Sale to Agency.
 - (D) Lease Agreement by and between the Company and the Agency.
 - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
12. Proposed Closing Date: May, 2011.
13. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**CITY OF ALBANY IDA - SEQR RESOLUTION
COLUMBIA HARRIMAN 455 LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 19, 2011 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
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. 0511-__

**RESOLUTION ACCEPTING THE DETERMINATION BY THE CITY OF ALBANY
PLANNING BOARD TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL
REVIEW OF THE COLUMBIA HARRIMAN 455 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 commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the 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, in November, 2010, Columbia Harriman 455 LLC, a New York limited liability company (the “Company”), presented an application (the “Application”) to 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 3.53 acres having an address of 455 Patroon Creek Boulevard (tax map no. 53.00-1-13.2) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a building to contain approximately 63,000 square feet of space together with a surface parking facility and related amenities (collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”), all of the foregoing to be owned by the Company for use by the Company as retail offices, commercial, technology and medical uses and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency 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 December 9, 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, 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 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 May 19, 2011 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 19th day of May, 2011.

(SEAL)

(Assistant) Secretary

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

ADDRESS OF SUBJECT PROPERTY: 455 Patroon Creek Blvd.

IN THE MATTER OF: An amendment to a previously approved site plan allowing for the construction of two office buildings totaling 98,000 s.f. The reason for the request is to accommodate the addition of a drive-thru in conjunction with the proposed 63,000 s.f. office building

APPLICANT: Columbia Development Companies c/o Hershberg & Hershberg
ADDRESS: 18 Locust St. Albany, NY 12203-2908

CASE NUMBER: 6-07, 704

Date of Site Plan Approval: 8/23/07

Meeting Date: 12/9/10

SEQR Determination: 2/21/08

Date of Decision: 12/9/10

Vote:	For Approval:	4	Fox:	Y	Trant:	Y
	Against:	0	Hancox:	Y		
	Abstain:	0	Pryor:	Y		

Relevant Considerations:

Owner/Applicant: Columbia Development Companies

Parcel size: 3.47 acres.

Location: The property in question is central to the Patroon Creek Office Park, located between Washington Avenue Extension, State Route 85 and Interstate 90, also adjacent to the Harriman State Office Campus.

Zoning: C-O (Commercial Office). A Parking Lot Permit to allow for the reconstruction of an existing parking lot to accommodate 455 vehicles as an accessory use to 2 new office buildings (455 & 555 Patroon Creek Blvd.) was granted by the Board of Zoning Appeals on 8/8/07. A Use Variance and Parking Lot Permit to allow for the construction of a drive-in bank in conjunction with the construction of a 63,000 square foot office building (455 Patroon Creek Blvd.) and a 273-space accessory parking lot was granted by the Board of Zoning Appeals on 11/23/10.

Surrounding Uses: *Northeast:* CDPHP Corporate Office Building. *West:* SEFCU Administrative Office. *Southeast:* The Alexandria Apartments. *Southwest:* First Niagara Eastern Regional Headquarters.

Proposed Project: The applicant previously obtained approval for a 63,000 square foot medical office and the other is a 35,000 square foot general office building. A surface parking lot with 465 parking spaces was proposed to serve the uses. The applicant has since completed construction of the 35,000 square foot building, which is now home to First Niagara's Regional Headquarters. The applicant has also completed construction of approximately 192 parking spaces in conjunction with the greater 465-space lot that is proposed. The parcel has also been subdivided into two separate tax lots – 455 and 555 Patroon Creek Boulevard.

The proposed amendment relates to a desire to add a drive-thru bank branch to the proposed 63,000 square foot medical office structure to be located at 455 Patroon Creek Boulevard.

SEQR status: A negative declaration was issued on 2/21/08. The proposed change does not necessitate a re-visitation of SEQR.

Traffic: The initial approval cited an anticipated increase in traffic. The City's Traffic Safety Division approved the original plans. There will be no substantive change from the original proposal, with the exception of a proposed drive-thru bank branch. Traffic impacts of the bank branch will be minimal.

Bike/Pedestrian/Transit: There is no transit service to the proposed location. No bicycle parking is proposed. Access to this area by either means is generally difficult, but is not further inhibited by the proposed building plans.

Water/Sewer: Public water supply is currently provided by to the site by the Albany Water Board through an 8-inch water main along the southeast side of the property. This area is served by the Albany County North Wastewater Treatment Plant transmitted by the Patroon Creek Intercepting Sewer. A new 8" sewer line will be connected to an existing manhole near the northwest corner of 255 Patroon Creek Boulevard. An easement to be dedicated to the Albany Water Board will run through the 255 and 455, 555 Patroon Creek parcels and laterals will be connected to the new buildings to provide service.

Stormwater: A stormwater detention basin was constructed and was sized based upon the full build out of the project.

Landscaping: No substantive changes to the original proposal.

Lighting: No substantive changes to the original proposal.

Solid Waste: No substantive changes to the original proposal.

Signage: The building will contain signage depicting the bank branches name and logo. The number 445 will also be featured on the building.

Actions Taken:

The Board **Approved** the Amendment to the Site Plan Approval

I, Edward Trant representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of December 9, 2010.

Date: **12/9/10** Signature: _____

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

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

**PILOT DEVIATION APPROVAL RESOLUTION
COLUMBIA HARRIMAN 455 LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 19, 2011 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
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. 0511-__

**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 COLUMBIA HARRIMAN 455 LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving,

maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in November, 2010, Columbia Harriman 455 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 3.53 acres having an address of 455 Patroon Creek Boulevard (tax map no. 53.00-1-13.2) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of a building to contain approximately 63,000 square feet of space together with a surface parking facility and related amenities (collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”), all of the foregoing to be owned by the Company for use by the Company as retail offices, commercial, technology and medical 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 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 December 9, 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 April __, 2011 (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 May 19, 2011 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 19th day of May, 2011.

(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
Fax: 518-434-9846

April 26, 2011

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 Columbia Harriman 455 LLC Project

Gentlemen:

In November, 2010, Columbia Harriman 455 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 3.53 acres having an address of 455 Patroon Creek Boulevard (tax map no. 53.00-1-13.2) in the City of Albany, Albany County, New York (the "Land"), (2) the construction on the Land of a building to contain approximately 63,000 square feet of space together with a surface parking facility and related amenities (collectively, the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to be owned by the Company for use by the Company as retail offices, commercial, technology and medical 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.

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 (A) provide that the Company be granted a payment in lieu of tax agreement with a ten year term 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 with 5% per year increase over the term of the Proposed Pilot Agreement and (B) fix the assessed value on the Improvements in the Proposed PILOT Agreement (the “PILOT Assessed Value”) at \$6,060,000 for 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 increase over the term of the five year payment in lieu of tax agreement and the assessed value of the Improvements is not fixed.

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 May 6, 2011 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the “Meeting”). As described later in this letter, during the meeting on May 6, 2011, 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 multi use building to be owned by the Company and leased to multiple tenants for use as retail offices, commercial, technology and medical offices and other directly and indirectly related activities.

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. 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 200 construction jobs over the approximately one-year construction period with a payroll of approximately \$3,277,575.

The Project will create approximately 200 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. Summary information regarding the estimated average wage/salary per year for permanent full time jobs is included in the Application.

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

Based on an estimate of the assessed value of the Facility, the amount of PILOT payments on the Project Facility would start at approximately \$170,674 and end at \$380,961 over a 10-year period, resulting in approximately \$2,689,499 of PILOT payments paid by the Company.

Note also that the period and the amount of the real property tax abatement is similar to the benefits offered under Section 485-b of the Real Property Tax Law. In most jurisdictions, the real estate abatement provided under Section 485-b is available to any commercial user regardless of involvement by an industrial development agency. Further, the fixed PILOT Assessed Value was arrived at through discussions with the Agency staff, the City's Office of the Assessor and the Company.

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

It is anticipated that the office space will result in the creation of approximately 200 full-time positions in the area. It is anticipated up to 20% 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.

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 \$12,161,646.

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 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 Office

**CITY OF ALBANY IDA - APPROVING RESOLUTION
COLUMBIA HARRIMAN 455 LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 19, 2011 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
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. 0511-__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR COLUMBIA
HARRIMAN 455 LLC (THE "COMPANY").**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial 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 November, 2010, Columbia Harriman 455 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 3.53 acres having an address of 455 Patroon Creek Boulevard (tax map no. 53.00-1-13.2) in the City of Albany, Albany County, New York (the "Land"), (2) the construction on the Land of a building to contain approximately 63,000 square feet of space together with a surface parking facility and related amenities (collectively, the "Facility"), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to be owned by the Company for use by the Company as retail offices, commercial, technology and medical 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 December 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 February 7, 2011 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 January 9, 2011 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 January 10, 2011 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 January 20 and February 17, 2011 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 December 9, 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, the Agency’s Uniform Tax Exemption Policy (the “Policy”) provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Project Facility. In connection with the Application, the Company made a request to the Agency (the “Pilot Request”) that the Agency deviate from the Policy with respect to Project Facility. In connection with the Pilot Request, the Chief Executive Officer of the Agency sent a notice to the chief executive officers of the “Affected Tax Jurisdictions” (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on May 6, 2011. The Chief Executive Officer of the Agency caused a letter dated April 26, 2011 (the “Pilot Deviation Notice Letter”) to be mailed to the chief executive offices of the Affected Tax Jurisdictions, informing said individuals that the Agency would, at its meeting on May 6, 2011, consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility (the “Payment in Lieu of Tax Agreement”) and the reasons for the proposed deviation; 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 \$12,000,000;

(E) 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;

(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 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 May 19, 2011 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 19th day of May, 2011.

(Assistant) Secretary

(SEAL)

LAW OFFICES OF
LOMBARDI, WALSH, WAKEMAN, HARRISON, AMODEO & DAVENPORT, P.C.

LOUIS LOMBARDI (1952-1969)
GARY L. LOMBARDI (1973 - 2011)
RICHARD P. WALSH, JR.
ROBERT G. WAKEMAN
HARLAN R. HARRISON
ANTHONY J. AMODEO, JR.
PAUL E. DAVENPORT
STEPHANIE A. WHITE*
FREDERICK W. CLARK III

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THEODORE REINHARD
SENIOR COUNSEL

OF COUNSEL
DALE F. JEFFERS
JENNIFER K. CORONA**

** ALSO ADMITTED IN MA

*ALSO ADMITTED IN CT

May 6, 2011

SERVICE BY FACSIMILE
NOT ACCEPTED

City of Albany Industrial Development Agency
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

Re: Application by Albany Hotel, Inc.

Gentlemen:

We represent the Applicant, Albany Hotel, Inc. Albany Hotel, Inc. is the owner of the Crowne Plaza Hotel at the corner of State and Lodge Streets in Albany. Its address is c/o Hudson Advisors LLC, 2711 N. Haskell Avenue, Suite 1700, Dallas, Texas 75204. As of April, 2010, Albany Hotel, Inc., is now owned by LSREF Peach Investments LLC, which is a subsidiary company of Lone Star Real Estate Fund, (US) L.P., a private equity fund.

The land underlying the Crowne Plaza Hotel is owned by UDC-Ten Eyck Development Corporation-III, which is a wholly-owned subsidiary of the New York State Urban Development Corporation, 633 Third Avenue, New York, New York 10017. This land is leased to Albany Hotel, Inc., pursuant to a ground lease originally dated December 20, 1979 (the "Ground Lease"). The Ground Lease expires on December 20, 2056.

The Ground Lease is structured so that "Base Rent" is based on a reduced amount of "full value" real estate taxes. Pursuant to the Ground Lease, Albany Hotel, Inc. is currently paying real estate taxes based on approximately one-half of its full value assessment. This amounts to approximately \$364,349.00 per year in city and school taxes for 2010. Pursuant to Section 3.01(a)(iv) of the Ground Lease, the real estate taxes will increase to 100% full value assessment on December 20, 2022. The Albany Hotel, Inc. has determined that this targeted increase would be economically unsustainable for the property.

In addition, pursuant to Article 26 of the Ground Lease, Albany Hotel, Inc. has the option to purchase the property for \$1,000,000.00. However, should this option be exercised, the Ground Lease will expire and the real estate taxes will increase to a "full value" assessment.

As stated earlier, the ownership of Albany Hotel, Inc. changed in 2010. Its current owners have determined that the short remaining term of the Hotel's Ground Lease (i.e., 45 years) makes it a "wasting asset" in that it is not an attractive investment for a purchaser or a lender. Additionally, Albany Hotel's existing franchise agreement with Crowne Plaza is about to expire. To secure an ongoing franchise to keep the property branded by Crowne Plaza or another high quality brand, the franchisor will require significant investment. The owners of Albany Hotel, Inc. are interested in investing at least \$10,000,000.00 in major renovations to the hotel, but only if the economics of the transaction make sense. For example, the owners are prepared to exercise their option to purchase the Hotel, but only if a satisfactory Payment in Lieu of Tax ("PILOT") Agreement can be put in to place. As currently structured, the leasehold greatly impedes value, but the tax increase would likewise impede value.

The proposed renovations are described in the attached Application. All of these renovations and improvements would be expected to have a significant contributing role in the continued viability of the Albany downtown.

The implementation of these renovations which would be expected to occur from October 1, 2011 to December 31, 2012 are conservatively expected to generate approximately 45 construction jobs and approximately 20 permanent jobs for the hotel.

It is also expected that the renovation of the Crowne Plaza will position the Albany Hotel, Inc. to obtain a franchise. Any new franchisor will also require significant renovations to the facility, but if Albany Hotel cannot achieve certain economic terms, it will be unable to implement these improvements, and may go "un-branded". An "un-branded" hotel is much more difficult to sustain when seeking business, convention and leisure travelers.

If Albany Hotel, Inc. were to exercise its option to purchase the hotel for \$1,000,000.00, it would need: (1) a long-term PILOT agreement structured on the basis of the current formula (\$364,369.00 per year), for increases in the tax rate each year, for a 30 year period from completion of the improvements, expiring on December 31, 2043; (2) sales tax exemption for the renovations and (3) a mortgage tax exemption for the cost of financing the renovations. The PILOT agreement will specify that Albany Hotel will implement a minimum of \$10,000,000.00 in capital improvements, to be completed no later than December 31, 2013. The PILOT agreement would be contingent upon Albany Hotel, Inc. exercising its option and closing on the acquisition of the property.

Very truly yours,



Robert G. Wakeman

RGW:mlr
Enclosure

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. 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: Albany Hotel, Inc.

APPLICANT'S ADDRESS: 2711 N. Haskell Avenue, Suite 1800

CITY: Dallas STATE: Texas ZIP CODE: 75204

PHONE NO.: (214) 754-8430 FAX NO.: N/A E-MAIL: N/A

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

Robert G. Wakeman, Esq. Neil Teplica Marc L. Lipshy, Vice President

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

NAME OF ATTORNEY: Robert G. Wakeman, Esq.

ATTORNEY'S ADDRESS: III Winners Circle, Suite 200

CITY: Albany STATE: New York ZIP CODE: (518) 438-2000

PHONE NO.: (518) 438-2000 FAX NO.: (518) 438-2471 E-MAIL: rgw@lrwhlaw.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 twelve (12) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. 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.
8. 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.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

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 notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	_____, 20 ____

SUMMARY OF PROJECT

Applicant: Albany Hotel, Inc.
Contact Person: Marc L. Lipshy, Vice President
Phone Number: (214) 754-8430
Occupant: Albany Hotel TRS, LLC
Project Location: 89 State Street, Albany, New York 12207

Approximate Size of Project Site: 1 acre (+/-). Project does not include parking garage site.

Description of Project: The Crowne Plaza Hotel, a 384 room full-service hotel with two restaurants, 24,000 square feet of meeting space and access to a 770 stall adjacent parking garage, seeks assistance to permit it to (i) acquire the underlying fee title from UDC/Empire State Development; (ii) invest \$10,000,000 in new renovations; and (iii) obtain PILOT tax and other assistance from the IDA.

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☒ Commercial ☐ Not-For-Profit
☐ Other-Specify

Employment Impact: Existing Jobs 249±
New Jobs 20± permanent and 45± temporary/construction

Project Cost: \$23,500,000 (\$10,000,000 Renovation + \$1,000,000 Fee Acquisition + \$12,500,000 Refinance)

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 800,000
Mortgage Recording Taxes:	\$ 293,750
Real Property Tax Exemptions:	\$ TBD
Other (please specify):	\$

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

A. Identity of Company:

1. Company Name: Albany Hotel, Inc.

Present Address: 2711 N. Haskell Avenue, Suite 1700
Dallas, Texas

Zip Code: 30326

Employer's ID No.: 65-0384279
2. If the Company differs from the Applicant, give details of relationship:

3. Indicate type of business organization of Company:

- a. X Corporation (If so, incorporated in what country? USA
What State? Florida Date Incorporated? 1992 Type
of Corporation? Foreign Authorized to do business in
New York? Yes X; No).
- b. Partnership (if so, indicate type of partnership ,
Number of general partners , Number of limited partners).
- c. Limited liability company,
Date created? .
- d. Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

The Company is owned by LSREF Peach Investments LLC, a subsidiary of Lone Star Real Estate Fund, (U.S.) L.P.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
LSREF Peach Investment LLC	100% Owner	None
Michael D. Thomson	President	None
Layne B. LeBaron	Secretary	None
Marc L. Lipshy	Vice President	None
Cindy Kuhlman	Vice President	None
Stewart Motley	Vice President	None
Steven R. Shearer	Vice President	None

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes X; No ____.

Routine, ordinary course litigation.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
LSREF Peach Investment LLC, a subsidiary of Lone Star Real Estate Fund, (U.S.) L.P., a private equity fund	2711 N. Haskell Avenue, Suite 1800 Dallas, Texas 75204	100%

- D. Company's Principal Bank(s) of account: Bank of America, N.A.

II. DATA REGARDING PROPOSED PROJECT

- A. Summary: (Please provide a brief narrative description of the Project.)

The Crowne Plaza Hotel, a 384 room full-service hotel with two restaurants, 24,000 square feet of meeting space and access to a 770 stall adjacent parking garage, seeks assistance to permit it to (i) acquire the underlying fee title from UDC/Empire State Development; (ii) invest \$10,000,000 in new renovations; and (iii) obtain PILOT tax and other assistance from the IDA.

- B. Location of Proposed Project:

- | | | |
|----|----------------|---------------------------------------------|
| 1. | Street Address | 89 State Street (Corner of State and Lodge) |
| 2. | City of | Albany |
| 3. | Town of | |
| 4. | Village of | |
| 5. | County of | Albany |
| | Tax Map # | 76.34-2-51 |

- C. Project Site:

1. Approximate size (in acres or square feet) of Project site:.

1± acre.

Is a map, survey or sketch of the project site attached? Yes X; No ____.

2. Are there existing buildings on project site? Yes X; No ____.
- a. If yes, indicate number and approximate size (in square feet) of each existing building:

Building Footprint approximately 138,328± square feet.

Net Rentable Building Square Footage is deemed to be 238,191 square feet.

The Building is 15 stories (170± feet in height).

- b. Are existing buildings in operation? Yes X; No ____.
- If yes, describe present use of present buildings:

- c. Are existing buildings abandoned? Yes ____; No X. About to be abandoned? Yes ____; No X. If yes, describe:

- d. Attach photograph of present buildings. See attached Exhibit "A".

3. Utilities serving project site:

Water-Municipal: City of Albany

Other (describe)

Sewer-Municipal: City of Albany

Other (describe)

Electric-Utility: National Grid

Other (describe)

Heat-Utility: National Grid

Other (describe)

4. Present legal owner of project site:

Albany Hotel, Inc. (Ground Tenant)

UDC-Ten Eyck Development Corporation III (Fee Owner)

- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$_____.

- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes X; No _____. If yes, indicate date option signed with owner: 12/20, 1979; and the date the option expires: 12/20, 2056.

- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes X; No _____. If yes, describe:

Ground Lease

5. a. Zoning District in which the project site is located:
C-3. Central Business District

b. Are there any variances or special permits affecting the site? Yes ____;
No _____. If yes, list below and attach copies of all such variances or special
permits: TBD.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ____; No X.
If yes, indicate number and size of new buildings:

2. Does part of the project consist of additions and/or renovations to the existing
buildings? Yes X; No _____. If yes, indicate the buildings to be expanded or
renovated, the size of any expansions and the nature of expansion and/or renovation:

The Company plans a comprehensive upgrade of the Hotel to meet the
requirements of an upgraded franchise (application in process).

3. Describe the principal uses to be made by the Company of the building or
buildings to be acquired, constructed or expanded:

The Building will continue to be a full-service hotel with restaurants, meeting
rooms and banquet facilities.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery,
equipment or other personal property (the "Equipment")? Yes X; No _____. If
yes, describe the Equipment: See annexed Exhibit "B".

2. With respect to the Equipment to be acquired, will any of the Equipment be
Equipment which has previously been used? Yes ____; No X. If yes, please
provided detail:

3. Describe the principal uses to be made by the Company of the Equipment to be
acquired or installed:

New equipment will be required by the franchisor (application in process) to
upgrade the standards of operation of the Hotel.

F. Project Use:

1. What are the principal products to be produced at the Project?

Overnight accommodations, food and beverage service, banquet and catering venue and service, conference and meeting center, leisure and entertainment.

2. What are the principal activities to be conducted at the Project?

See Item "F(1)" above.

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X; No _____. If yes, please provide detail:

As a full-service hotel, the sale of goods and services to customers who personally visit the facilities is the primary business.

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No X. If yes, please explain:

- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes X; No _____. If yes, please explain:

As a full-service hotel, the sale of goods and services to customers who personally visit the facilities is the primary business.

- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No X. If yes, please explain:

- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes X; No _____. If yes, please provide detail:

This Hotel has been the only full-service hotel with significant meeting space in downtown Albany for the past 30 years.

- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No _____. If yes, please explain: _____

We are not sure if the property is in an economic development zone.

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X; No _____. If yes, please explain:

Renovation of the facilities is anticipated to increase permanent employment through increased anticipated volume of traffic and new service levels.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

- a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail:
- b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No _____. If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

City of Albany building permit. Perhaps City and County Planning Department approval.

2. Describe the nature of the involvement of the federal, state or local agencies described above:

Building permit and perhaps City and County Planning Board approval.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X_. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures:

The following Capital Improvements have been made in 2008, 2009 and part of 2010 under prior ownership:

<u>Period</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2008-2010 Total</u>
Hotel	\$1,994,418	\$2,611,676	\$50,216	\$4,656,310
Garage	\$21,860	\$557,335	\$1,288,876	\$1,868,071
Total	\$2,016,278	\$3,169,011	\$1,339,091	\$6,524,381

I. Method of Construction After Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes ____; No X.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ____; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: Albany Hotel TRS, LLC
 Present Address: 2711 N. Haskell Avenue, Suite 1800
 City: Dallas State: Texas Zip: 75204
 Employer's ID No.: _____
 Sublessee is: ____ Corporation: ____ Partnership: ____ Sole Proprietorship X LLC
 Relationship to Company: Subsidiary (Taxable REIT Subsidiary)
 Percentage of Project to be leased or subleased: 100%
 Use of Project intended by Sublessee: Hotel Operation
 Date of lease or sublease to Sublessee: June 29, 2010
 Term of lease or sublease to Sublessee: 10 years
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes X; No _____. If yes, please provide on a separate attachment (a)

details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee. See answer to Question I(F)3.

2. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease?

100% (leased pursuant to a REIT ownership structure)

IV. Employment Impact

A. 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 below 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. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	12	4	129	10	155
Present Part Time				34	34
Present Seasonal				60	60
First Year Full Time	13	5	147	10	175
First Year Part Time				34	34
First Year Seasonal				60	60
Second Year Full Time					No Change
Second Year Part Time					No Change
Second Year Seasonal					No Change

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>1,000,000</u>
Building Renovations	\$ <u>10,000,000</u>
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COST	\$ <u>11,000,000</u>

B. Have any of the above expenditures already been made by applicant?
Yes ____; No X. (If yes, indicate particular.)

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ____; No X. If yes, indicate:
 - a. Amount of loan requested: N/A;
 - b. Maturity requested: N/A Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No X.

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:

- a. retail food and beverage services: Yes ☐; No ☐
- b. automobile sales or service: Yes ☐; No ☐
- c. recreation or entertainment: Yes ☐; No ☐
- d. golf course: Yes ☐; No ☐
- e. country club: Yes ☐; No ☐
- f. massage parlor: Yes ☐; No ☐
- g. tennis club: Yes ☐; No ☐
- h. skating facility (including roller
- i. skating, skateboard and ice skating): Yes ☐; No ☐
- j. racquet sports facility (including
- handball and racquetball court): Yes ☐; No ☐
- k. hot tub facility: Yes ☐; No ☐
- l. suntan facility: Yes ☐; No ☐
- m. racetrack: Yes ☐; No ☐

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ☐; No TBD.

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ☐; No TBD.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes X; No ☐.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No ☐. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 23,500,000.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X; No ☐. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 800,000.

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

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ 800,000
b.	Mortgage Recording Taxes:	\$ 293,750
c.	Real Property Tax Exemptions:	\$ TBD
d.	Other (please specify):	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ____; No TBD. If yes, please explain.

6. Is the Project located in the City's state designated Empire Zone? Yes ____; No TBD.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. 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 administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

ALBANY HOTEL, INC.
(Applicant)

BY: Marc L. Lipsey
Authorized Officer

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

STATE OF New York)
) SS.:
COUNTY OF New York)

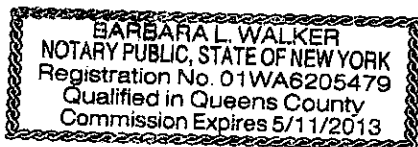
Marc L. Lipsky deposes and says that he is the
(Name of chief executive of applicant)
Vice President of Albany Hotel, Inc.
(Title) (Company Name)

the corporation 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 corporation. 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 corporation.

Marc L. Lipsky
(officer of applicant)

Sworn to before me this
5 day of May, 2011.

Barbara L. Walker
(Notary Public)



(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

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. 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.

(Notary Public)

(If applicant is partnership)

_____, deposes and says
(Name of Individual)

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. 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 a member of and from the books and papers of said limited liability company.

(Notary Public)

VERIFICATION

(If applicant is limited liability company)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____

(Partnership Name)

the partnership 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. 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 a member of and from the books and papers of said partnership.

Sworn to before me this
____ day of _____, 20__.

(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

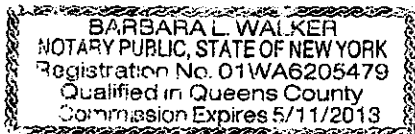
Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless 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.

ALBANY HOTEL, INC.
(Applicant)

BY: Maureen L. Lipsey

Sworn to before me this
5 day of May, 2011.

Barbara L. Walker
(Notary Public)



TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Albany Hotel, Inc.
2. Brief Identification of the Project:	Albany Crowne Plaza
3. Estimated Amount of Project Benefits Sought:	\$ N/A
A. Amount of Bonds Sought:	\$
B. Value of Sales Tax Exemption Sought	\$ 800,000
C. Value of Real Property Tax Exemption Sought	\$ TBD
D. Value of Mortgage Recording Tax Exemption Sought	\$ 293,750

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 1,000,000
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$10,000,000
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
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		\$
5.	Relocation costs		\$
6.	Skills training		\$
7.	Other working capital-related costs (describe)		\$
F.	Professional Service Costs		\$
1.	Architecture and engineering		\$
2.	Accounting/legal		\$
3.	Other service-related costs (describe)		\$
G.	Other Costs		\$
1.			\$
2.			\$
H.	Summary of Expenditures		
1.	Total Land-Related Costs		\$ 1,000,000
2.	Total Building-Related Costs		\$10,000,000
3.	Total Machinery and Equipment Costs		\$
4.	Total Furniture and Fixture Costs		\$
5.	Total Working Capital Costs		\$
6.	Total Professional Service Costs		\$
7.	Total Other Costs		\$

PROJECTED PROFIT

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

This section is not applicable, because this Project would not be undertaken without IDA Benefits because of the impaired valued of land with a short term lease with a significant tax increase in 10 years.

YEAR	Without IDA benefits	With IDA benefits
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$

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
Year 1	45	\$3,342,938	\$210,943
Year 2 (1/3 Year)	45	\$1,114,313	\$70,314
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:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	12	4	129	104
Year 1	12	4	129	104
Year 2	No Change	No Change	No Change	No Change
Year 3	No Change	No Change	No Change	No Change
Year 4	No Change	No Change	No Change	No Change
Year 5	No Change	No Change	No Change	No Change

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

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	12	4	129	104
Year 1	13	5	147	104
Year 2	No Change	No Change	No Change	No Change
Year 3	No Change	No Change	No Change	No Change
Year 4	No Change	No Change	No Change	No Change
Year 5	No Change	No Change	No Change	No Change

As set forth above, we estimate that the Project will generate 20 new jobs and allow the Applicant to preserve existing jobs. 94 of the "Unskilled Jobs" are current part-time or seasonal, and are likely to remain that way.

III. Please provide estimates for the following:

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

The Applicant will augment worker skills with respect to hotel management and hotel services.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: 80%.

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)	\$2,000,000
Additional Sales Tax Paid on Additional Purchases	\$160,000
Estimated Additional Sales (1 st full year following project completion)	\$7,900,000
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$630,000

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

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$364,349	\$364,349	
Year 1	\$364,349	\$364,349	
Year 2	\$364,349	\$364,349	
Year 3	\$364,349	\$364,349	
Year 4	\$364,349	\$364,349	
Year 5	\$364,349	\$364,349	
Year 6	\$364,349	\$364,349	
Year 7	\$364,349	\$364,349	
Year 8	\$364,349	\$364,349	
Year 9	\$364,349	\$364,349	
Year 10	\$364,349	\$364,349	*

*Under the existing Ground Lease, real estate taxes increase only by the increase in the tax rate but revert to full value assessment in December, 2022. The Applicant requests that the PILOT Agreement be structured over a 30 year term (from completion of the Project) with a base tax of \$364,349 (City, County and School) in year 1, increased only by any increase in the tax rate, but with no other increases (and no "full value" increase) until the end of the 30 year term (December, 2043).

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

An upgraded, and hopefully up-branded, hotel is expected to have a dynamic impact in the center of downtown and with downtown dining, events and night life in particular.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: May 5, 2001.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Mark L. Cpsky

Title: Vice President

Phone Number: 214-754-9400

Address: 2711 N. Haskell Avenue, Suite 1800
Dallas, TX 75204

Signature: Mark L. Cpsky

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

Positions added are anticipated to be semi-skilled, skilled and professional . For detail, see p. 15.

[illegible]

Should you need additional space, please attach a separate sheet.

Exhibit "A"

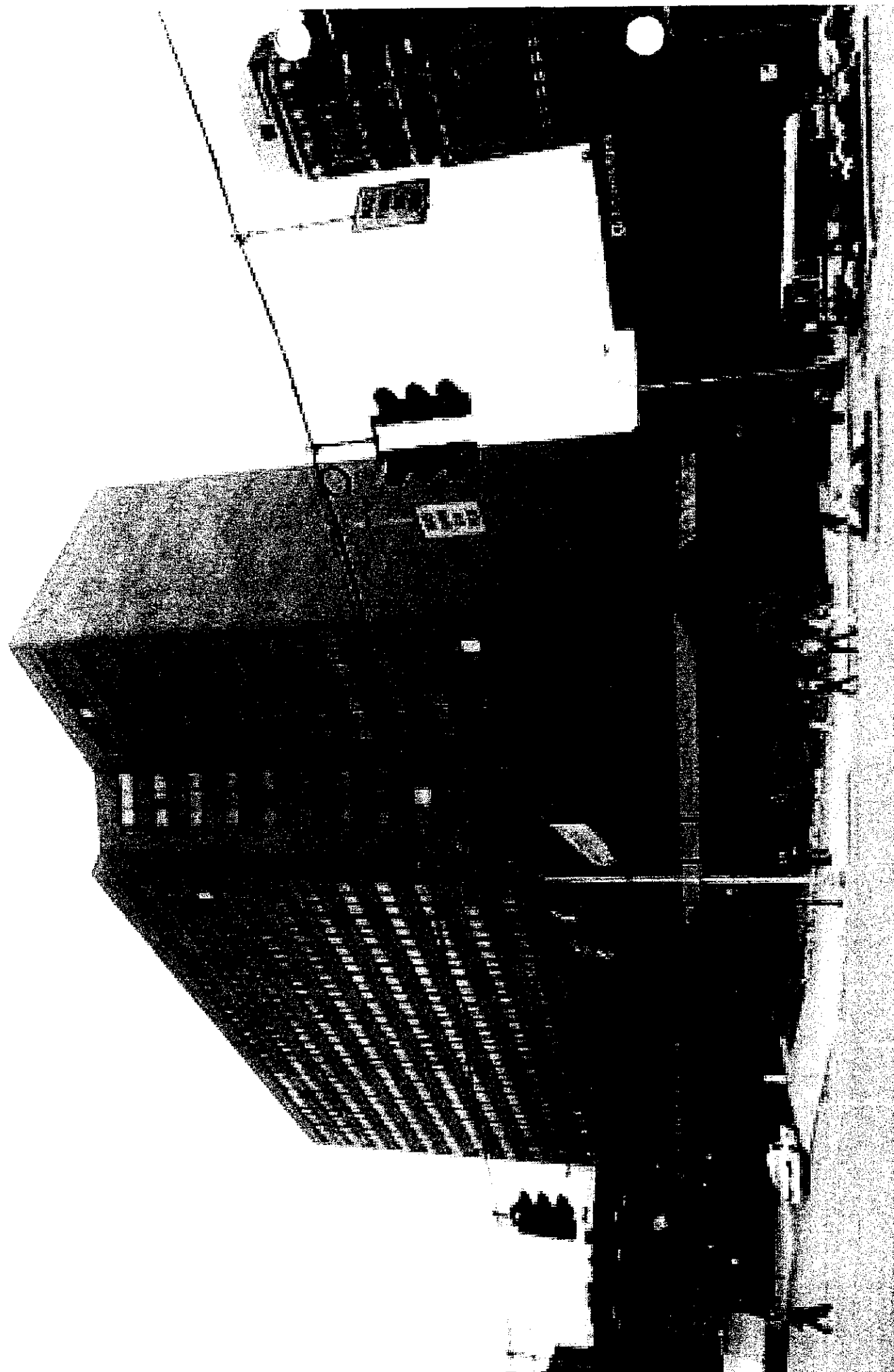


Exhibit "B"

The description of the work described in each category below may vary depending on the franchisor that ultimately approves the Applicant and not every item of work may be required. There may also be additional items of work. For example, a particular franchisor may require that less work be done in the Guest Rooms, and a larger amount of money be spent on the restaurants and meeting rooms. In any event, the Applicant commits to a total capital investment in the Hotel of \$10,000,000.

General
Prepare Architectural plans, design schemes, material specifications and professionally prepared color boards/renderings.
Review all existing installations on Fire & Life Safety provisions including but not limited to Fire Sprinkler System, Fire Egress and Escape route, Fire Detection System, Emergency Evacuation System and Kitchen Hood Fire Suppression System.
Verify existing Life Safety system to NFPA requirements.
Replace all Public Area smoke detectors.
Upgrade High Speed Internet program with upgraded hardware, cabling, and bandwidth.
Exterior - Signage - Replace all exterior building, pylon, monument and directional signs.
Remove, clean and re-install all HVAC supply and return air grilles in entire hotel. Any grille that cannot be cleaned properly shall be replaced.
Ensure that all ancillary systems such as point-of-sale, on-demand pay movies, high speed internet access, call accounting, etc. are the most current operating version.
Back of House
In offices and employee lockers and break rooms, replace acoustical tile ceiling panels as needed, Re-paint walls, as needed; install additional artwork
Replace carpet and upgrade light fixtures as needed.

Corridors/Elevator/Stairwells

Elevator Landings - Upgrade wall coverings/paint. Upgrade elevator doorways and frames; Guestrooms - Repair/upgrade acoustical tile ceiling system and install flat painted gypsum board where appropriate.

Stairs - Replace carpet as needed; Re-paint masonry walls as needed; Remove existing vinyl wall covering and install new wall covering/paint; Install new artwork; Install approved wood substitute chair rails in all corridors;

Guestroom Corridors - remove existing vinyl wall covering and install new vinyl wall covering or painted surface; Install approved wood substitute base boards and crown molding in all corridors; Provide a complete renovation of the elevators including, but not limited to, new floor, wall, and ceiling finishes, lighting and new decorative handrail(s) on backwall or all 3 walls; Replace all carpet and pads; Install new wall sconce light fixtures positioned appropriately down the corridor to provide adequate lighting.

Lower Level 'A' Corridors - Upgrade acoustical tile ceiling panels and grid system. Install a new ceiling system constructed of painted gypsum board and some portions of acoustical tile ceiling areas. Install new vinyl wall covering.

Exterior Components

Exterior - Power wash exterior of building and remove efflorescence from brick surfaces; Repaint all existing painted metal surfaces and doors and window frames as appropriate.

Porte Cochere -Repaint the existing open frame metal structure with new color. Remove existing red awning and replace with a new different color awning. Replace existing 'utility lamps' with decorative lights. Remove existing signage and install new signage; Renovate or reconstruct the porte cochere

Exterior - Install building flood lights, ground mounted, and accentuating architectural features. Hotel must take a much more dramatic profile through both exterior architectural elements and up-lighting.

Garage - Provide finished elevator lobbies; Provide a dedicated emergency phone on each level of self parking garages.

Gift Shop/Business Center

Gift Shop - Refurbish or renovate the gift shop

Business Center - Renovate the Business Center including the following amenities: Comfortable seating (ergonomic desk chairs) for two people and a minimum of two IBM/Dell (or compatible) workstations with 17" flat panel monitors.

Lobby/Entrance/Registration Area

Registration Desk - The registration desk must be reconfigured to provide a contemporary and inviting first impression for arriving guests - Either registration pods should be added or the existing desk unit must be retrofitted to improve the appearance.

Lobby -Public areas - Conduct a full refurbishment of the lobby space to include:
1) Removing existing vinyl wall covering and installing new vinyl wall covering. 2) Removing existing pendant light fixtures with new upscale decorative light fixtures.

Public Restrooms
Install touchless electronic flush valve operation on all urinals.
Install touchless electronic faucet operation on all lavatories.
Provide a background music system meeting current standards.
Install new toilet partitions and doors. Toilet partition doors should be louvered, full height doors.

Recreation Facilities
Fitness Center – Renovate the fitness center facility; Indoor Pool Area - Fully enclose the pool area with full height, floor to ceiling (at upper level B ceiling) walls. Remove existing wood lattice type partition. Walls to be constructed with internal vapor barrier to prevent moisture migration from pool area to occupied public areas; Indoor Pool/Whirlpool; Existing and new walls to be epoxy painted.

Executive Lounge
Executive Lounge- A renovation of the executive lounge to improve or replace all FF&E, finishes, artwork, etc.

Kitchens
Kitchens - Replace damaged, stained or discolored tile ceiling panels and repaint metal grid.
Kitchen Storage Areas - Re-paint walls; - Replace damaged, stained or discolored tile ceiling panels and repaint metal grid.

Lounge/Bar/Lobby
Kelsey's Lounge - A total renovation of the bar/lounge to replace all FF&E to include: counter tops, hostess stands or bar counters, refinished wood flooring and wood base, wall finishes, window treatments, new lighting scheme/fixtures, artwork, chairs, tables, etc., to provide a visually upscale contemporary image.

Meeting/Event Function Facilities
Meeting Rooms - Install new upscale light fixtures; Replace fabric on acoustical folding partitions; Refinish wood doors; renovate tile ceiling.
Lower Level 'B' Pre-Function Area – Upgrade wall covering.
Grand Ballroom - Replace carpet; Install new upscale decorative pendant light fixtures
Webster's Meeting Room - Replacement (or refinishing as appropriate) of base, vinyl wall covering, millwork, hardware, ceilings, decorative and functional lighting, sound systems, doors, door hardware, artwork, etc.

Restaurant/Bar/Lobbies

Restaurant - Webster's - The interior décor of the restaurant shall create an environment traditionally associated with a top quality restaurant. The furnishings, finishes and lighting must provide a visually upscale image. A significant renovation of the restaurant will be done.

Guest Bathrooms

In bathrooms with solid surface vanity counters replace or refinish existing vanity counter. Replace existing vanity cabinet fronts with drawers and "shelves or cubbies" (for towels and amenities) and decorative legs. Refinish or replace lavatory bowl.

Suite Rooms

Upgrade all door signage.

Replace all sofas.

Remove existing drapes, fabric valance, sheers and blackout. Provide and install new drapes, blackout drapes, sheers and wood valances.

Install wide-screen LCD televisions.

Provide and install a new upholstered side chair.

Review/replace all bedding and mattresses/box springs in all guestrooms and suites.

Replace carpet and pads where necessary. This includes the parlor or living room of any suites.

Install a franchisor approved work desk, ergonomic chair, task light, and power/communications at desk height.

Replace lounge chairs and ottomans.

Renovate or replace closet doors.

Remove existing artwork. Provide and install new artwork. This includes the parlor or living room of any suites.

Replace existing lamp package in the guestrooms with a new package. Ensure the desk lamp fixture has two power outlets built into the base.

Replace most or all case goods including headboard, night stands, armoire, desk, chairs, etc. Further, remove existing TV armoires. Install all TV's in a 4 drawer mid-rise chest of drawers (approximately 42" tall and 54 wide) so that a flat panel TV can be installed.

Repair and repaint all damaged ceilings.

Total Capital Investment: \$10,000,000.

**PUBLIC HEARING RESOLUTION
ALBANY HOTEL, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 19, 2011 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
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. 0511-__

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF CITY OF
ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC
HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR
THE BENEFIT OF ALBANY HOTEL, INC.**

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 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 May, 2011, Albany Hotel, Inc., (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 having an address of 89 State Street, in the City of Albany, Albany County, New York (the “Land”), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the “Existing Facility”) located thereon, (2) the renovation and reconstruction of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as a 384 room full service hotel with two restaurants and 24,000 square feet of meeting space; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

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

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the “Report”); to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such

further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
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 May 19, 2011 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 19th day of May, 2011.

(Assistant) Secretary

(SEAL)

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. 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: Sixty State Place, LLC

APPLICANT'S ADDRESS: 50 State Street, 6th Floor

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: 462-7411 FAX NO.: 462-8586 E-MAIL: jeffreygordon@gordondevelopment.net
davegordon@gordondevelopment.net

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

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

NAME OF ATTORNEY: John Harris

ATTORNEY'S ADDRESS: Harris Beach PLLC, 677 Broadway

CITY: Albany STATE: New York ZIP CODE: 12207

PHONE NO.: 518-701-2748 FAX NO.: 518-427-0235 E-MAIL: jharris@harrisbeach.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. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. 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.
8. 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.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

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 notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	, 20

SUMMARY OF PROJECT

Applicant: Sixty State Place, LLC

Contact Person: Jeffrey S. Gordon

Phone Number: 518-462-7411

Occupant:

Project Location: 60 State Street, Albany, NY 12207

Approximate Size of Project Site: 25,000 sq. feet

Description of Project: Former Bank Building converted to mixed use commercial and residential

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☐ Commercial ☐ Not-For-Profit
☒ Other-Specify Mixed use

Employment Impact: Existing Jobs 0

New Jobs 30-40 FTE construction 85 FTE permanent (est)

Project Cost: \$ 6.5 Million

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 170,000 est
Mortgage Recording Taxes:	\$ 9,200 est
Real Property Tax Exemptions:	\$ 1,000,000 est
Other (please specify):	\$

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

A. Identity of Company:

1. Company Name: Sixty State Place, LLC

Present Address: 50 State Street, 6th Floor, Albany, NY

Zip Code: 12207

Employer's ID No.:

2. If the Company differs from the Applicant, give details of relationship:

Applicant and owner are one in the same

3. Indicate type of business organization of Company:

a. NO Corporation (If so, incorporated in what country?
What State? N/A Date Incorporated? _____ Type of
Corporation? N/A Authorized to do business in New York?
Yes N/A; No N/A).

b. No Partnership (if so, indicate type of partnership N/A ,
Number of general partners N/A , Number of limited partners N/A).

c. X Limited liability company,
Date created? March 17, 2010 .

d. N/A Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

The company is not a subsidiary or direct or indirect affiliate of any organization.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
David J. Gordon 50 State St. Albany, NY 12207	Member	
Jeffrey S. Gordon 50 State St. Albany, NY	Member	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No X.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
David Gordon	50 State	50%
Jeffrey Gordon	50 State	50%

D. Company's Principal Bank(s) of account:

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

Mixed use project for commercial use on the first floor with 11 residential apartment units on floors 2, 3 & 4

B. Location of Proposed Project:

1. Street Address 60 State Street
2. City of Albany
3. Town of N/A
4. Village of N/A
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site:.

Is a map, survey or sketch of the project site attached? Yes X; No ____.

2. Are there existing buildings on project site? Yes X; No ____.

a. If yes, indicate number and approximate size (in square feet) of each existing building: 1 Building 25,000 sq. feet

b. Are existing buildings in operation? Yes ____; No X.
If yes, describe present use of present buildings:

c. Are existing buildings abandoned? Yes X; No _____. About to be abandoned? Yes ____; No _____. If yes, describe:

d. Attach photograph of present buildings.

3. Utilities serving project site:
Water-Municipal: Yes
Other (describe)
Sewer-Municipal: Yes
Other (describe)
Electric-Utility: National Grid
Other (describe)
Heat-Utility: National Grid
Other (describe)
4. Present legal owner of project site: Sixty State Place, LLC
- a. If the Company owns project site, indicate date of purchase: December 21, 2010; Purchase price: \$ 500,000.00
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No _____. If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____. N/A
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ____; No _____. If yes, describe: N/A
5. a. Zoning District in which the project site is located:
- b. Are there any variances or special permits affecting the site? Yes ____; No X. If yes, list below and attach copies of all such variances or special permits:

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ____; No X. If yes, indicate number and size of new buildings:
2. Does part of the project consist of additions and/or renovations to the existing buildings? Yes X; No _____. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

See attached project narrative

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

See attached project narrative

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes X ; No _____. If yes, describe the Equipment: All New heating and air conditioning equipment. All new mechanical equipment through the residential portion
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ____; No X . If yes, please provided detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: Heating & Cooling, Electrical, Plumbing

F. Project Use:

1. What are the principal products to be produced at the Project? N/A
2. What are the principal activities to be conducted at the Project?
Commercial & Residential use.
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X ; No _____. If yes, please provide detail:
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 45 %
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No X. If yes, please explain:
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes X; No _____. If yes, please explain:
Spectacular historic space inside main lobby of the building will draw visitors from beyond the city. Restaurant operator will draw visitors from beyond the City.
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No X. If yes, please explain:
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ____; No X. If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No _____. If yes, please explain: _____

Poverty rate of 36.9% of the MSA

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X; No _____. If yes, please explain:

85 FTE permanent jobs will be created

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail: N/A

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No _____. If yes, please provide detail: N/A

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

New York State Office of Parks Recreation & Historic Preservation ("SHPO")

New York State Homes and Community Renewal ("DHCR")

City of Albany Building Department

Local Historic Commission

2. Describe the nature of the involvement of the federal, state or local agencies described above:

We are applying to DHCR for a main street grant with the City of Albany Downtown Bid.

We will apply to SHPO for Historic Tax Credits. Local Historic Commission will also review portions of the architectural changes to the building.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: Site acquisition equal to \$500,000

I. Method of Construction After Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes X ; No ____.
2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes X ; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

- A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X ; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: Bull & Buddha, LLC
Present Address: 319 Main Street
City: Poughkeepsie State: NY Zip: 12601
Employer's ID No.:
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship X LLC
Relationship to Company: None
Percentage of Project to be leased or subleased: 44%
Use of Project intended by Sublessee: Restaurant
Date of lease or sublease to Sublessee: TBD
Term of lease or sublease to Sublessee: TBD (25 years likely)
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes X ; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee. See answers to II (F) (4) - (6) above.

2. Sublessee name: None
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name: _____
Present Address: _____
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? None

IV. Employment Impact

A. 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 below 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. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0	0	0	0	0
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time	4	15		66 FTE	85
Second Year Part Time					
Second Year Seasonal					

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost See attached sheet

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial	\$ _____

and printing)	\$ _____
Construction loan fees and interest	
(if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COST	\$ _____

B. Have any of the above expenditures already been made by applicant?
 Yes X ; No _____. (If yes, indicate particular.)

Acquisition of project Site/Building

V. **BENEFITS EXPECTED FROM THE AGENCY**

A. **Financing**

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ____; No X . If yes, indicate:
 - a. Amount of loan requested: _____ Dollars;
 - b. Maturity requested: _____ Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No ____.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A
 - a. retail food and beverage services: Yes ____; No ____
 - b. automobile sales or service: Yes ____; No ____
 - c. recreation or entertainment: Yes ____; No ____
 - d. golf course: Yes ____; No ____
 - e. country club: Yes ____; No ____
 - f. massage parlor: Yes ____; No ____
 - g. tennis club: Yes ____; No ____
 - h. skating facility (including roller
 - i. skating, skateboard and ice skating): Yes ____; No ____
 - j. racquet sports facility (including
 - handball and racquetball court): Yes ____; No ____
 - k. hot tub facility: Yes ____; No ____
 - l. suntan facility: Yes ____; No ____
 - m. racetrack: Yes ____; No ____
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ____; No X.
6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ____; No X.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes X; No ____.
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 2,300,000.
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 2,000,000-2,500,000.
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ 170,000 est
b.	Mortgage Recording Taxes:	\$ 9,200 est
c.	Real Property Tax Exemptions:	\$ 1,000,000 est
d.	Other (please specify):	
	_____	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ____; No X. If yes, please explain.

6. Is the Project located in the City's state designated Empire Zone? Yes X; No ____.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. 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 administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

(Applicant) Sixty State Place, LLC

BY: 

David J. Gordon, Member

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____ deposes and says that he is the
(Name of chief executive of applicant)

_____ of _____
(Title) (Company Name)

the corporation 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 corporation. 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 corporation.

(officer of applicant)

Sworn to before me this
_____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says
(Name of Individual)

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. 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.

Sworn to before me this
 ____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is partnership)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____,

(Limited Liability Company)

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. 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 a member of and from the books and papers of said limited liability company.

Sworn to before me this
____ day of _____, 20__

(Notary Public)

VERIFICATION

(If applicant is limited liability company)

STATE OF New York)
) SS.:
COUNTY OF Albany)

David J. Gordon, deposes and says

(Name of Individual)

that he is one of the members of the firm of Sixty State Place, LLC,

(Partnership Name)

the partnership 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. 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 a member of and from the books and papers of said partnership.

By: Sixty State Place, LLC

David J. Gordon, Member

Sworn to before me this
14 day of April, 2011

Theresa M. Gile
(Notary Public)
Notary Public, State of New York
No. 01GI5067757
Qualified in Rensselaer County
Commission Expires Oct. 28, 2015

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 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.

(Applicant)

BY: 

Sworn to before me this
14 day of April, 2011


(Notary Public)

THERESA M. GILE
Notary Public, State of New York
No. 01GI5067757
Qualified in Rensselaer County
Commission Expires Oct. 28, 2015

TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	
2. Brief Identification of the Project:	
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 170,000 est
C. Value of Real Property Tax Exemption Sought	\$ 1,000,000 est
D. Value of Mortgage Recording Tax Exemption Sought	\$ 9,200 est

PROJECTED PROJECT INVESTMENT

SEE ATTACHED PROJECT BUDGET

A. Land-Related Costs	
1. Land acquisition	\$
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$

C. Machinery and Equipment Costs		
1.	Production and process equipment	\$
2.	Packaging equipment	\$
3.	Wharehousing 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	\$
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F. Professional Service Costs		
1.	Architecture and engineering	\$
2.	Accounting/legal	\$
3.	Other service-related costs (describe)	\$
G. Other Costs		
1.		\$
2.		\$
H. Summary of Expenditures		
1.	Total Land-Related Costs	\$
2.	Total Building-Related Costs	\$
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$
7.	Total Other Costs	\$

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	\$ -200,000	\$ -188,000
2	\$ -200,000	\$ -188,000
3	\$ 28,000	\$ 40,000
4	\$ 28,000	\$ 40,000
5	\$ 28,000	\$ 40,000

* see below - these are estimates

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	30-40 FTE	\$ 1,500,000	\$ 105,000
Year 1	30-40 FTE	\$ 1,000,000	\$ 70,000
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:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

* In year 9 the project will generate profit of \$18,000 w/out IDA benefits, in year 10 the project loses \$27,000 and in subsequent years those losses widen to approximately \$162,000 per year if the project pays full real property taxes starting in year 13.

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

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	4	15		66 FTE
Year 2				
Year 3				
Year 4				
Year 5				

III. Please provide estimates for the following:

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

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

As much as possible but conceivably in excess of 90%

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

PROJECTED OPERATING IMPACT

Restaurant service jobs will draw from surrounding area and workers will be trained

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

Additional Purchases (1 st year following project completion)	\$ 2,500,000
Additional Sales Tax Paid on Additional Purchases	\$ 100,000
Estimated Additional Sales (1 st full year following project completion)	\$ 5,000,000
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ 400,000

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

Project is requesting 100% abatement on improvements over base year assessment for 20 years. Pilot will be fixed for 20 years using base year assessment as assessed value for term of project.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	28,000	28,000	0
Year 1	28,000	28,000	0
Year 2	28,000	28,000	0
Year 3	28,000	28,000	0
Year 4	28,000	28,000	0
Year 5	28,000	28,000	0
Year 6	28,000	28,000	0
Year 7	28,000	28,000	0
Year 8	28,000	28,000	0
Year 9	52,000	28,000	24,000
Year 10	76,000	28,000	48,000


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

See Project Narrative

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

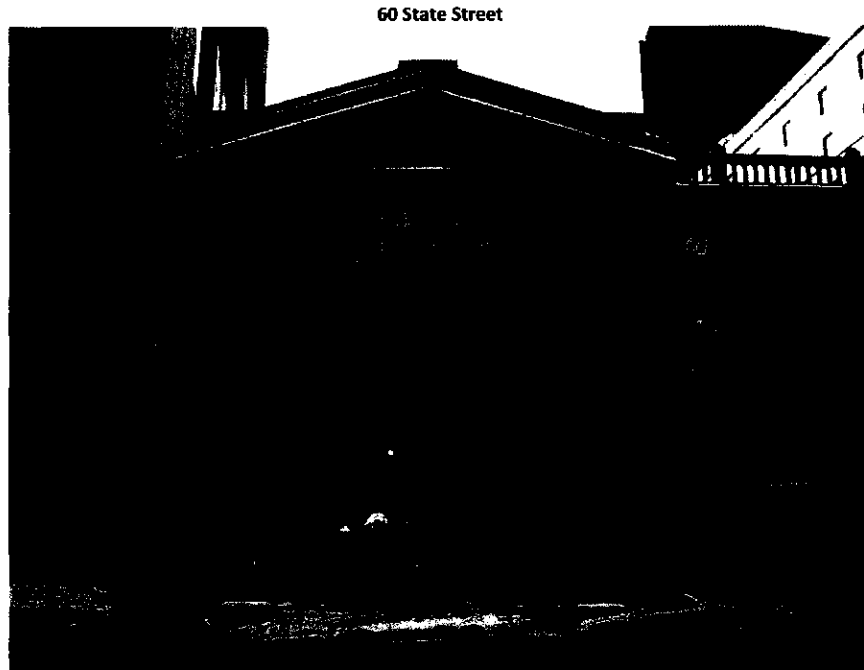
Date Signed: <u>April 14, __, 2001</u>	Name of Person Completing Project Questionnaire on behalf of the Company. By: <u>Sixty State Place, LLC</u> Name: <u>David J. Gordon</u> Title: <u>Member</u> Phone Number: <u>518-462-7411</u> Address: <u>50 State Street, 6th Floor</u> <u>Albany, New York 12207</u> Signature: 
-----------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

CREATION OF NEW JOB SKILLS

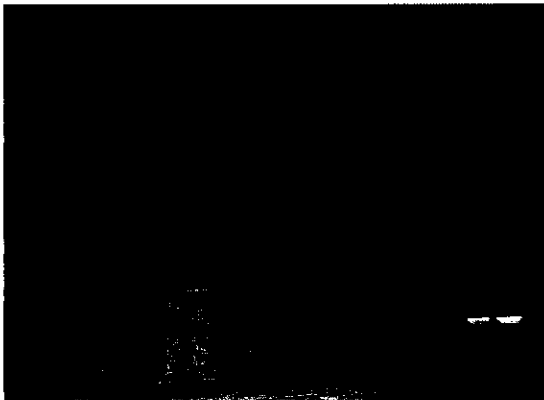
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Sixty State Place



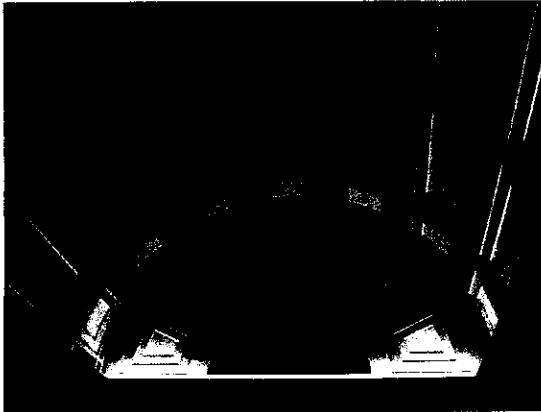
Sixty State Place will reinvent the vacant National State Bank Building into a 26,500 square foot mixed-use anchor project consisting of a 10,000 square foot restaurant / catering facility and 11-16 apartment units. The reenergization of 60 State Street builds upon a \$6.2 million dollar facelift of State Street and over \$6.9 million of building improvements in the immediate vicinity.



The lobby and first floor will be converted into a restaurant and catering facility, making the aesthetic landmark once again open to the public.



The upper floors, found in the rear of the building, will be renovated into 11-16 residential units that front on a public plaza.



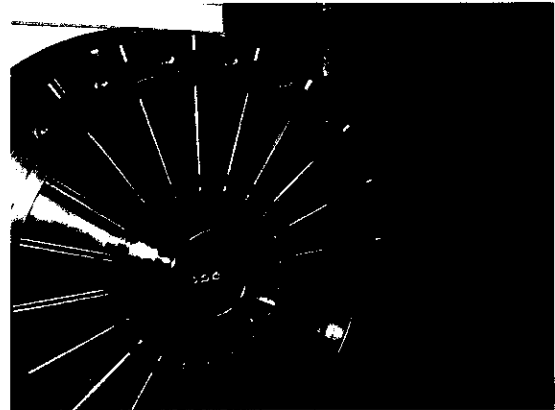
The interior maintains an incredible assortment of historic architectural details including the plaster painted ceiling above the lobby.



Each room contains unique historic features such as this original fireplace in the boardroom.



Intricate woodwork and detailing amplify the aesthetic of the building.



The redevelopment plan calls for the basement vault, constructed in 1920, to be used for private dining and special events.



The former bank offices, including the board room, will be repurposed for small catered events.



The successful redevelopment of the National State Bank Building will reopen this Downtown landmark to public use.

[illegible]

Sixty State Place

Project Summary

Sixty State Place is a central project to the revitalization of downtown Albany. What has been a vacant building for over a year will be reenergized and reintroduced as 26,500 square foot mixed use anchor development consisting of a 10,000 square foot restaurant and 11-16 apartments. The project is ideally located at the gateway to Downtown on Albany's "main street", State Street, and will expand upon a \$6.2 million dollar facelift of the streetscape and over \$6.9 million of building renovations in the immediate vicinity. Sixty State Place will return one of Downtown's most historic buildings to public use, create jobs in an underserved community, and meet existing needs for commercial and residential space.

The project is located in the heart of Albany's Downtown Historic District and the oldest settled area of the City. This part of the City was at the center of development and expansion in the City dating back to the 1600's. Originally designed in 1901 by the Beaux-Arts architecture firm York and Sawyer, the National State Bank Building was constructed in 1902, underwent a major addition in 1920 and had significant interior renovations in the 1960's. Because this building has operated uninterrupted as a bank since its construction over 100 years ago, there are significant, irreplaceable historic features throughout the main lobby and first floor. The lobby, facing State Street, is a breathtaking four story space of approximately 5,250 sq. ft. The remainder of the space, comprising approximately 21,240 sq ft over four floors, used to serve as the bank offices. There is also a basement level that contains the original vault from 1920 and assorted mechanical equipment.

To take maximum advantage of the significant aesthetic features of the building, the 4-story 5,250 sq. ft. main lobby space as well as an additional 5,750 sq ft of space (predominantly first floor space) will be converted into a restaurant or catering hall facility. This will restore the historically public access to the unique interior as well as bolster the downtown dining and nightlife scenes. The State Street façade will be cleaned and refurbished, further enhancing the significant impact this project will have on State Street.

The upper floors, in the rear of the building, are proposed to be 11-16 "urban loft" residential units (3 to 4 units per floor). These units will take advantage of south facing windows and high ceilings to attract tenants who are looking for "urban living" in downtown Albany; Sixty State Place will be one of the most unique residential projects in the city with units ranging from about 650 sq ft to 1,300 sq ft. Adding residential units to downtown has been identified as a top priority of the City as a component to revitalizing the downtown.

The project comes at a time of significant reinvestment in the lower State Street corridor. A \$6.2 million facelift to be completed in October 2011 will add decorative sidewalks, lighting, benches and street trees to Albany's "main street". Gordon Companies, the developers of Sixty State Place, completed a \$2,000,000 renovation of its neighboring 50 State Street property into boutique Class A office space in 2010. Nearby, another developer invested \$1.25 million in greening its 54 State Street office building to be Energy Star certified. The project's close proximity to the proposed New York State Convention Center, as well as its prime location at the gateway to downtown Albany makes this site a priority for downtown revitalization. Furthermore, the mixed-use nature of this project meets several current market needs.

A recent residential market study commissioned by the Downtown Albany Business Improvement District and completed by Zimmerman/Volk Associates, a firm specializing in residential market analysis for urban markets, found that demand for downtown Albany living increased 53% to 3,750 units since 2006. The study also indicated that the downtown market could absorb at least 99 new multi-family rental units per year over the next three years; this would double to 198 units per year in 2014. The 11-16 rental units included at Sixty State Place would constitute 11-16% of the short term yearly demand for new apartments when the project is completed in 2012.

Sixty State Place will also have a significant impact for low income individuals. Located in a distressed census tract, the project will create 30-40 FTE construction jobs and 85 FTE long term hospitality jobs drawing from a community where jobs are scarce and opportunities are limited. The project sits in a census tract with a poverty rate of 36.9 percent, an unemployment rate of 23.6 percent and median incomes of 26.9 percent of the MSA. Stated another way, the current area medium income (AMI) for this census tract is \$10,897, compared to the City of Albany AMI of \$30,041, and the MSA's (Albany-Schenectady-Troy) AMI of \$43,250.

Converting a property of this nature to the proposed uses contains a number of technical difficulties with respect to the applicable building codes and life safety. A significant investment will be required to make the residential use on the upper floors possible. Investments will need to be made in the form of a new elevator, stair tower, fire escapes, sprinkler systems, electrical service, energy efficient windows, etc. in addition to the interior fit up and finishing of the units. The total cost of the project is \$6,405,000 (see attached budget) of which \$5,240,000.00 can be attributed to construction costs. Due to tight financing restrictions and the high cost of historic rehabilitation this project is reliant upon economic development assistance including grant funding and historic tax credits.

Once completed, this project will have a significant impact and serve as a linchpin to the further revitalization of State Street. Sixty State Place will retain the finest features of the building's historic character, while returning the building's magnificent interior to public access. A letter

of intent from a highly coveted higher end restaurant operator has been executed and a lease execution should follow the receipt of City of Albany Industrial Development Agency assistance. Based on the restaurant operator's track record the facility should draw from beyond the City of Albany, bringing new patrons to the downtown district. The residential portion of the project adds highly demanded living options to the downtown Albany neighborhood while the restaurant/catering hall enhances the downtown dining market and provides an anchor use to Downtown's gateway. Furthermore, the project will create 30-40 FTE construction jobs and 85 FTE permanent hospitality jobs in a neighborhood in need of blue collar employment. These public benefits, combined with economic development assistance, will ensure that one of Albany's most unique buildings will be restored to its highest and best use, while bringing new life to Albany's downtown.

Sixty State Place Budget Summary

Land Acquisition \$ 500,000.00

Soft Costs:

Legal Fees	\$ 100,000.00
Architectural Fees	\$ 135,000.00
Engineering Fees	\$ 100,000.00
Interest Carry	\$ 150,000.00
Taxes & Insurance	\$ 90,000.00
Closing Fees	\$ 90,000.00
Total Soft Costs:	\$ 665,000.00

Hard Costs

Total Demolition	\$ 350,000.00
Site work, General Requirements, Asbestos Abatement	
-General Requirements	\$ 160,000.00
-Site work and Infrastructure	\$ 125,000.00
-Asbestos Abatement	\$ 400,000.00
Total Site work, General Requirements, Asbestos Abatement	\$ 685,000.00
Materials and Masonry	
-Concrete	\$ 200,000.00
-Masonry	\$ 350,000.00
-Metals	\$ 225,000.00
-Wood and Plastics	\$ 200,000.00
Total Materials and Masonry	\$ 975,000.00
Equipment, Finishes, Furnishings	
-Doors and windows	\$ 175,000.00
-Finishes	\$ 850,000.00
-Equipment	\$ 260,000.00
-Furnishings	\$ 115,000.00
Total Equipment, Finishes, Furnishings	\$ 1,400,000.00
HVAC, Electrical, Mechanical, Weatherization	
-Thermal and Moisture Protection	\$ 165,000.00
-Conveying Systems	\$ 350,000.00
-Mechanical	\$ 965,000.00
-Electrical	\$ 350,000.00
Total HVAC, Electrical, Mechanical	\$ 1,830,000.00
Total Hard Costs	\$ 5,240,000.00

Total Project Cost \$ 6,405,000.00

**PUBLIC HEARING RESOLUTION
SIXTY STATE PLACE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 19, 2011 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
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. 0511-__

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF SIXTY STATE PLACE, LLC.

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 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 May, 2011, Sixty State Place, 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 having an address of 60 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing, 25,000 square foot, four story building (the “Existing Facility”) located thereon, (2) the renovation and reconstruction of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

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

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the “Report”); to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such

further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
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 May 19, 2011 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 19th day of May, 2011.

(Assistant) Secretary

(SEAL)