

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 Pedo, *Secretary*
Prairie Wells
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 John Reilly
Susan Pedo Erik Smith
Prairie Wells Megan Daly
Martin Daley

Date: July 15, 2011

AGENDA

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday, July 21, 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 of June 16, 2011

Approval of Minutes of the Regular Meeting of June 16, 2011

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- Financial Report

Communications

Unfinished Business

- SRS Albany, LLC Project Synopsis
- SRS Albany, LLC Project SEQR Resolution
- SRS Albany, LLC Project Approving Resolution
- Albany Molecular Research, INC Resolution Approving New Mortgage
- Albany Hotel, Inc. Revised PILOT Deviation Discussion
- Sixty State Place, LLC Revised PILOT Deviation Discussion

New Business

- Penta on Broadway, LLC Public Hearing Resolution
- Downtown Albany Revitalization, LLC Public Hearing Resolution

Other Business

Adjournment

* The next regularly scheduled meeting is Thursday, August 18, 2011 at the offices of the Capitalize Corporation, 21 Lodge Street, Albany, NY 12207

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IDA MINUTES OF REGULAR MEETING Thursday, June 16, 2011

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

Absent: Susan Peto

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

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 Susan Peto.

Reading of Minutes of the Regular Meeting of May 19, 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 May 19, 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 Kathy Sheehan and seconded by Prairie Wells. Martin Daley suggested to amend the minutes regarding the Columbia Harriman 455, LLC Project to reflect properly his statement made concerning the project. The Board agreed that the minutes be amended to reflect Mr. Daley's actual statement. A vote being taken, the minutes, as amended, were accepted unanimously.

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

New Business

Albany Molecular Project Public Hearing Resolution

Debra Lambek, attorney representing the project, she explained that this project was originally approved by the AIDA in 2005 at which time a PILOT was granted which is still in effect. The company has negotiated a loan with the Bank of America in the amount of \$22,500,000 which will be secured by a mortgage lien on the Project. The Project is requesting exemption from the mortgage recording tax with respect to this financing.

Joe Scott explained that there was more work to be done by staff and counsel to determine if the project is one that the IDA can enter into from a legal standpoint. Kathy Sheehan requested that staff provide a report on how the project did with their original job creation figures and reporting requirements. Prairie Wells noted that she had contacted staff previous to this meeting to obtain the employment figures and noted that the original project had greatly exceeded its job creation estimates on the initial 2005 project. She suggested that staff should provide this type of information for all items similar to this in the future.

Chairman Ferrara presented the Albany Molecular Project Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Bill Bruce. A vote being taken, the Resolution passed unanimously.

Albany Medical Center Hospital 2005 Project Resolution Approving Extension of LOC

Joe Scott reviewed the Resolution with the Board.

Chairman Ferrara presented the Albany Medical Center Hospital 2005 Project Resolution Approving Extension of LOC to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Prairie Wells. A vote being taken, the Resolution passed unanimously.

Swan Street Lofts, LP Project Inducement Resolution

Erik Smith explained that this project would be a private activity bond transaction which would make it subject the NYS private activity bond volume cap. He noted that embedded in this Inducement Resolution is the approval for a public hearing. Joe Scott noted that the Inducement Resolution is put forth at this time in the process so that the project applicant can start incurring costs with regards to the project that can later be offset by the bond proceeds.

Lori Harris, representing the project, reviewed the project with the Board. She explained that the project consisted of the rehabilitation of the former St. Joseph School into twenty-two residential units and 14,100 s.f. commercial space.

Chairman Ferrara presented the Swan Street Lofts, LP Project Inducement Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Bill Bruce. A vote being taken, the Resolution passed unanimously.

The College of Saint Rose – Resolution Approving Conversion

Joe Scott reviewed the Resolution with the Board. He explained that this resolution is related to the St. Rose 2207B bonds which were issued as taxable bonds. Conditions have now been met where these bonds can be converted to tax-exempt status as provided for in the original documents in 2007.

Chairman Ferrara presented *The College of Saint Rose – Resolution Approving Conversion* 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.

Reports of Committees

None

Report of Chief Executive Officer

Mike Yevoli reported that Gary Simpson had officially resigned his position on the AIDA Board and the Common Council is soliciting applications for a new member.

Mike Yevoli introduced Brad Chevalier to the Board as the Capital Albany Corporation's new Economic Developer and explained that he would be handling much of the IDA's project activity work. He continued in announcing the retirement of Jeff Sullivan to the Board and noted that Amy Gardner would be taking over many of the administrative functions that Jeff formerly accomplished.

Mr. Yevoli made reference to handouts distributed to the Board that showed among other things tax rate comparisons between different municipalities and asked for Board input on how these figures can be used to more clearly define the tax incentives given by the IDA to its applicants. Some discussion followed.

Report of Chief Financial Officer

Erik Smith reviewed the financials with the Board. He noted that the cash balance at the end of the year should be approximately \$138,000.

Mike Yevoli noted that staff, legal counsel and the City have all been working with the bond holders of the New Covenant School project in an effort to clarify and revise the agreement for the sub-lease of the Arbor Hill Community Center.

Communications

None

Unfinished Business

None

Other Business

Erik Smith noted that the public hearings that have been approved for Sixty State Street and Albany Hotel projects will be held on June 30th along with the 2 projects held today that were adjourned.

There being no further business, Chairman Ferrara adjourned the meeting at 1:55PM.

Respectfully submitted,

Michael Yevoli, Assistant Secretary

G:\IDA\IDA Minutes\IDA Regular Meeting Minutes\IDA Minutes 2011

City of Albany IDA
2011 Monthly Cash Position
June 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	\$ 255,430	\$ 255,393	\$ 291,135	\$ 438,885	\$ 431,188	\$ 411,212	\$ 487,697	\$ 250,836
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ 4,500	\$ -	\$ -	\$ 6,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500
Agency Fee	-	-	\$ 25,159	-	-	-	46,875	162,477	30,543	-	91,212	-	356,266
Administrative Fee	500	-	-	-	-	-	8,844	-	500	-	-	-	9,844
Modification Fee	1,000	1,500	-	-	-	48,219	-	-	-	-	-	-	50,719
Subtotal - Fee Revenue	<u>\$ 1,500</u>	<u>\$ 6,000</u>	<u>\$ 25,159</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 51,219</u>	<u>\$ 55,719</u>	<u>\$ 162,477</u>	<u>\$ 31,043</u>	<u>\$ -</u>	<u>\$ 91,212</u>	<u>\$ -</u>	<u>\$ 430,329</u>
Other Revenue													
Loan Repayments - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Repayments - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	37	33	39	37	38	26	42	42	42	42	42	42	460
Sale of Agency Property	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Other Revenue	<u>\$ 37</u>	<u>\$ 33</u>	<u>\$ 39</u>	<u>\$ 37</u>	<u>\$ 38</u>	<u>\$ 26</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 460</u>
Total - Revenue	<u>\$ 1,537</u>	<u>\$ 6,033</u>	<u>\$ 25,198</u>	<u>\$ 37</u>	<u>\$ 6,038</u>	<u>\$ 51,244</u>	<u>\$ 55,760</u>	<u>\$ 162,519</u>	<u>\$ 31,085</u>	<u>\$ 42</u>	<u>\$ 91,254</u>	<u>\$ 42</u>	<u>\$ 430,788</u>
Expenditures													
Management Contract	\$ 8,333	\$ -	\$ -	\$ 1,053	\$ 2,708	\$ 2,917	\$ 14,581	\$ 14,581	\$ 14,581	\$ 14,581	\$ 14,581	\$ 14,581	\$ 102,497
APA Contract	5,250	-	-	5,250	-	-	5,250	-	-	5,250	-	-	21,000
Audits	-	-	4,500	2,100	-	-	-	-	-	-	-	-	6,600
Agency Counsel	-	-	-	-	-	42,000	-	-	-	-	-	21,000	63,000
ED Support	-	-	-	4,224	-	5,250	-	-	24,013	-	-	24,013	57,500
Sub-lease AHCC	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	-	1,010	-	-	-	-	-	-	1,010
Misc.	-	409	105	153	165	105	188	188	188	188	188	188	2,061
Other Legal Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	<u>\$ 13,583</u>	<u>\$ 409</u>	<u>\$ 4,605</u>	<u>\$ 12,779</u>	<u>\$ 2,873</u>	<u>\$ 51,282</u>	<u>\$ 20,018</u>	<u>\$ 14,768</u>	<u>\$ 38,781</u>	<u>\$ 20,018</u>	<u>\$ 14,768</u>	<u>\$ 159,781</u>	<u>\$ 353,667</u>
Ending Balance	<u>\$ 238,790</u>	<u>\$ 244,415</u>	<u>\$ 265,007</u>	<u>\$ 252,265</u>	<u>\$ 255,430</u>	<u>\$ 255,393</u>	<u>\$ 291,135</u>	<u>\$ 438,885</u>	<u>\$ 431,188</u>	<u>\$ 411,212</u>	<u>\$ 487,697</u>	<u>\$ 327,957</u>	<u>\$ 327,957</u>

City of Albany IDA

Fee Detail by Month

June 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
	Penta on Braodway	1,500	-	-	-	1,500
	SRS Albany, LLC	1,500	-	\$ -	-	1,500
	TOTAL	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
<i>June</i>	Downtown Albany Revitaliztion, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Swan Street Lots, LP	1,500	-	-	-	1,500
	CSR Series 2007A	-	-	-	7,969	7,969
	CSR Series 2007B	-	-	-	40,250	40,250
		-	-	-	-	-
	TOTAL	\$ 3,000	\$ -	\$ -	\$ 48,219	\$ 51,219

City of Albany IDA

Fee Detail by Month

June 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
July	AMRI	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
	CSR Series 2007B			7,844		
	39 Sheridan Realty, LLC	-	46,875	-	-	-
	TOTAL	\$ -	\$ 46,875	\$ 8,844	\$ -	\$ 55,719
August	SRS Albany, LLC	\$ -	\$ 162,477	-	-	162,477
		-		-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 162,477	\$ -	\$ -	\$ 162,477
September	Albany Medical Center	\$ -	\$ -	\$ -	\$ -	\$ -
	Columbia 425 NS, LLC	-	-	500	-	500
		-	30,543	-	-	30,543
	TOTAL	\$ -	\$ 30,543	\$ 500	\$ -	\$ 31,043
October		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
November	Columbia Harriman 455, LLC	\$ -	\$ 91,212	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 91,212	\$ -	\$ -	\$ 91,212
December		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2011 TOTAL	\$ 13,500	\$ 356,266	\$ 9,844	\$ 50,719	\$ 430,329
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

City of Albany CRC
2011 Monthly Cash Position
June 2011

	ACTUAL						PROJECTED						
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 3,101	\$ 4,601	\$ 260,820	\$ 260,842	\$ 153,792	\$ 135,679	\$ 85,524	\$ 237,392	\$ 231,198	\$ 211,517	\$ 205,165	\$ 198,971	\$ 3,101
Revenue													
Fee Revenue													
Application Fee	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
Agency Fee	-	256,200	-	-	-	-	159,263	-	-	-	-	-	415,463
Administrative Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Modification Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Fee Revenue	<u>\$ 1,500</u>	<u>\$ 256,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,963</u>
Other Revenue													
Interest Income	\$ 0	\$ 19	\$ 22	\$ 16	\$ 13	\$ 11	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58	431
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	157	-	-	-	-	-	-	-	-	157
Subtotal - Other Revenue	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 22</u>	<u>\$ 173</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 588</u>
Total - Revenue	<u>\$ 1,500</u>	<u>\$ 256,219</u>	<u>\$ 22</u>	<u>\$ 173</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 159,321</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 417,551</u>
Expenditures													
Management Contract	\$ -	\$ -	\$ -	\$ 73,947	\$ 18,125	\$ 17,917	\$ 6,252	\$ 6,252	\$ 6,252	\$ 6,252	\$ 6,252	\$ 6,252	\$ 147,503
Audits	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency Counsel	-	-	-	-	-	-	-	-	-	-	-	21,000	21,000
ED Support	-	-	-	33,276	-	32,250	-	-	13,487	-	-	13,487	92,500
D & O Insurance	-	-	-	-	-	-	1,200	-	-	-	-	-	1,200
Misc.	-	-	-	-	-	-	-	-	-	158	-	-	158
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,224</u>	<u>\$ 18,125</u>	<u>\$ 50,167</u>	<u>\$ 7,452</u>	<u>\$ 6,252</u>	<u>\$ 19,739</u>	<u>\$ 6,410</u>	<u>\$ 6,252</u>	<u>\$ 40,739</u>	<u>\$ 262,362</u>
Ending Balance	<u>\$ 4,601</u>	<u>\$ 260,820</u>	<u>\$ 260,842</u>	<u>\$ 153,792</u>	<u>\$ 135,679</u>	<u>\$ 85,524</u>	<u>\$ 237,392</u>	<u>\$ 231,198</u>	<u>\$ 211,517</u>	<u>\$ 205,165</u>	<u>\$ 198,971</u>	<u>\$ 158,290</u>	<u>\$ 158,290</u>

City of Albany CRC

Fee Detail by Month

June 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	The College of St. Rose	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
		-	-	-	-	-
	TOTAL	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
<i>February</i>	St. Peter's Hospital of the City of Albany	\$ -	\$ 256,200	\$ -	\$ -	\$ 256,200
		-	-	-	-	-
	TOTAL	\$ -	\$ 256,200	\$ -	\$ -	\$ 256,200
<i>March</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany CRC

Fee Detail by Month

June 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	The College of St. Rose	\$ -	\$ 159,263	-	-	159,263
		-	-	-	-	-
	TOTAL	\$ -	\$ 159,263	\$ -	\$ -	\$ 159,263
<i>August</i>		\$ -	\$ -	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>September</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>November</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2011 TOTAL	\$ 1,500	\$ 415,463	\$ -	\$ -	\$ 416,963
		Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE

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

I. PROJECT IDENTIFICATION:

1. Project Applicant: SRS Albany, 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 parcels of land containing approximately 7.95 acres and located at the following addresses in the City of Albany, New York: (i) 711 Central Avenue (s/b/l no. 64.28-2-3), (ii) 733 Central Avenue (s/b/l no. 64.28-2-1), (iii) 35 Grant Avenue (s/b/l no. 64.28-2-29), (iv) 729 Central Avenue (s/b/l no. 64.28-2-2), (v) 870 Third Street (s/b/l no. 64.28-2-33), (vi) 145 Hunter Avenue (s/b/l no. 65.28-2-21), (vii) 55 Grant Avenue (s/b/l no. 64.28-2-30), and (viii) 149 Hunter Avenue (s/b/l no. 65.28-2-30) (the "Land").
 - (B) Demolition: the demolition of the exiting facility located on the Land.
 - (C) Construction: the construction on the Land of two new buildings: (i) the first building to contain approximately 23,644 square feet ("Building One"), and (ii) the second building to contain approximately 65,000 square feet of space ("Building Two" and together with Building One, being collectively referred to as the "Facility").
 - (D) 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").
 - (E) 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 tenants, including Shop Rite (and a portion of the Equipment to be owned by Shop Rite), all of the foregoing to constitute retail, supermarket and service facilities and other directly and indirectly related activities.

II. PRIOR ACTION ON PROJECT:

3. SEQR Compliance:
 - (A) SEQR classification of the Initial Project: Negative Declaration.
 - (B) SEQR Lead Agency: City of Albany Planning Board.
 - (C) Date of Planning Board Action: March 3, 2011.
 - (D) Date of Agency Action: to be considered on July 21, 2011.
4. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on May 6, 2011.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: June 15, 2011.
 - (2) Date Posted: June 9, 2011.
 - (3) Published in Albany Times Union: June 6, 2011.
 - (4) Date of Public Hearing: June 16 and June 30, 2011.

- (5) Location of Public Hearing: offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
- (C) Approving Resolution: to be adopted on July 21, 2011.

III. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

5. 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. In connection with the granting of the sales tax exemption for the portion of the Equipment to be owned by Shop Rite, the Agency will enter into a sale/leaseback transaction with Shop Rite.
6. Business Terms:
- (A) Payments in Lieu of Taxes: The Company will pay payments in lieu of taxes in accordance with the Agency's normal PILOT abatement schedule (i.e., 5 years, starting at 50% and decreasing by 10%/year).
- (B) Agency fee estimated \$162,477 ($\frac{3}{4}$ of 1% of the Project costs of \$21,663,664 (est)).
7. 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.
- (F) Lease Agreement by and between Shop Rite and the Agency.
8. Proposed Closing Date: expected to be August, 2011.
9. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

In The Matter of:

COPY

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

Stenographic minutes of a Public Hearing held in the matter of **SRS ALBANY, LLC**, at the City of Albany Industrial Development Agency, 21 Lodge Street, Albany, New York, on the June 16, 2011, at approximately 12:04 p.m.

PRESENT:

Anthony J. Ferrara, Chairman
Willard Bruce, Vice-Chairman
Martin Daley
Prairie Wells

Also Present:

Erik Smith CFO - City of Albany IDA
Michael Yevoli CEO - City of Albany IDA
Kathy Sheehan, Treasurer - City of Albany IDA
Brad Chevalier, Capitalize Albany Corporation
Megan Daly, Capitalized Albany Corporation
Amy Gardner, Capitalized Albany Corporation
Jeff Sullivan - Capitalize Albany Corporation
John J. Reilly, Esq., Corporation Counsel
A. Joseph Scott, Esq., Hodgson Russ, LLP

Also Present:

Debra J. Lambert, Esq., Segel, Goldman, Mazzotta & Siegel, P.C.
Mark Frost

1 CHAIRMAN FERRARA: Everyone, I
2 would like to open the public hearing
3 of the Albany Industrial Development
4 Agency. We have two projects. The
5 first one is SRS Albany, LLC.

6 Have the proper notices been made
7 on these?

8 MR. SCOTT: The notice went into
9 the paper properly. Unfortunately,
10 because we have had a large volume of
11 projects, the mailing for this one and
12 also for Spanos didn't go out. It
13 went out two days late. What we're
14 suggesting, and we've discussed with
15 the staff, that we reconvene the
16 public hearing later on this month and
17 that will accomplish the mailing
18 issue.

19 I suggest, as counsel to the
20 chair, when we get to the end of the
21 hearing, rather than close the
22 hearing, you close it in contemplation
23 of reopening at the June 30th public

1 hearing. Thank you.

2 CHAIRMAN FERRARA: All right. The
3 SRS Albany, LLC, project. Anyone
4 wishing to speak on behalf of the
5 project, for or against the project?

6 MR. SMITH: You want to say
7 something about the project again?

8 MS. LAMBEK: I didn't think
9 that --

10 MR. SCOTT: The applicant isn't
11 here directly. We have applicant's
12 counsel. In talking to the staff, we
13 could have the comments from the
14 applicant directly into the minutes at
15 the June 30th meeting. If you want to
16 make a statement now, you're certainly
17 eligible.

18 CHAIRMAN FERRARA: You don't have
19 to if you don't want to.

20 MS. LAMBEK: No.

21 MR. SCOTT: It's important to
22 recognize if anyone is here.

23 CHAIRMAN FERRARA: Is there

1 anyone? There being none, I will
2 close the public hearing in
3 contemplation of re-opening it at the
4 June 30th hearing. Thank you.

5 (Whereupon the public hearing was
6 closed at 12:06 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK

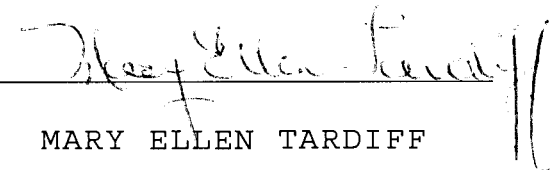
COUNTY OF ALBANY

I, Mary Ellen Tardiff, shorthand reporter, a notary public within and for the State of New York, duly commissioned and qualified, do hereby certify that the within and foregoing public hearing was reduced by me to stenotype and subsequently transcribed into English text and that the foregoing is a true and accurate transcript of the public hearing.

I do hereby certify that the public hearing was taken at the time and place as specified.

I do hereby further certify that I am not a relative, counsel or attorney of any party or otherwise interested in the outcome of this action.

Witness my hand this 20th day of June,
2011.


MARY ELLEN TARDIFF

My commission expires 11/07/2014.
No. 01TA4943991

**SEQR RESOLUTION
SRS ALBANY, 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 July 21, 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
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0711-__

RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF SRS ALBANY, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of civic, manufacturing and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity

and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, in April, 2011, SRS Albany, 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 parcels of land containing approximately 7.95 acres and located at the following addresses in the City of Albany, New York: (i) 711 Central Avenue (s/b/l no. 64.28-2-3), (ii) 733 Central Avenue (s/b/l no. 64.28-2-1), (iii) 35 Grant Avenue (s/b/l no. 64.28-2-29), (iv) 729 Central Avenue (s/b/l no. 64.28-2-2), (v) 870 Third Street (s/b/l no. 64.28-2-33), (vi) 145 Hunter Avenue (s/b/l no. 65.28-2-21), (vii) 55 Grant Avenue (s/b/l no. 64.28-2-30), and (viii) 149 Hunter Avenue (s/b/l no. 65.28-2-30), together with the 58,000 square foot facility located on a portion of the Land (the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of two new buildings: (i) the first building to contain approximately 23,644 square feet (“Building One”), and (ii) the second building to contain approximately 65,000 square feet of space (“Building Two” and together with Building One, being collectively referred to as the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), the Facility and portions of the Equipment will be owned by the Company and leased to various tenants, including Off Track Betting and Shop Rite, and the balance of the Equipment to be owned by Shop Rite, all of the foregoing to constitute retail, supermarket and service facilities; (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 May 6, 2011 (the “Public Hearing Resolution”), the Agency agreed to accept the Application and 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 June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 9, 2011 on a bulletin board located in the City Hall Rotunda located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on June 6, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing commencing on June 16, 2011 at 12:00 o’clock p.m., local time and reconvening on June 30, 2011 at 12:00 o’clock p.m. local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly

summarizes the views presented at said Public Hearing and shall file the same in the files 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 must satisfy the requirements contained in SEQRA and the Regulations prior to making a final determination whether to undertake the Project; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an environmental assessment form (the “EAF”) with respect to the Project, a copy of which EAF is attached hereto as Exhibit A and a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency also received a notification of local action from the City of Albany Planning Board (the “Planning Board”), which notification is attached hereto as Exhibit B, in which the Planning Board, on March 3, 2011, classified the Project as an “Unlisted Action” (as such quoted term is defined under SEQRA) pursuant to SEQRA; and

WHEREAS, pursuant to SEQRA, the Agency has examined the EAF in order to make an determination as to the potential environmental significance of the Project; and

WHEREAS, the Project does not appear to constitute a “Type I Action” (as said quoted term is defined in the Regulations), and therefore coordinated review and notification is optional with respect to the actions contemplated by the Agency with respect to the Project; and

WHEREAS, the Agency desires to conduct an uncoordinated review of the Project and to determine whether the Project may have a “significant effect on the environment” and therefore require the preparation of an environmental impact statement;

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

Section 1. Based upon an examination of the Application, the EAF and the Planning Board’s decision (collectively, the “Reviewed Materials”) and based further upon the Agency’s knowledge of the area surrounding the Project Facility and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings with respect to the Project:

A. The project (the “Project”) consists of the following: (A) (1) the acquisition of an interest in parcels of land containing approximately 7.95 acres and located at the following addresses in the City of Albany, New York: (i) 711 Central Avenue (s/b/l no. 64.28-2-3), (ii) 733 Central Avenue (s/b/l no. 64.28-2-1), (iii) 35 Grant Avenue (s/b/l no. 64.28-2-29), (iv) 729 Central Avenue (s/b/l no. 64.28-2-2), (v) 870 Third Street (s/b/l no. 64.28-2-33), (vi) 145 Hunter Avenue (s/b/l no. 65.28-2-21), (vii) 55 Grant Avenue (s/b/l no. 64.28-2-30), and (viii) 149 Hunter Avenue (s/b/l no. 65.28-2-30) (the “Land”) together with the 58,000 square foot facility located on a portion of the Land (the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of two new buildings: (i) the first building to contain approximately 23,644 square feet (“Building One”), and (ii) the second building to contain approximately 65,000 square feet of space (“Building Two” and together with Building One, being collectively referred to as the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment

hereinafter collectively referred to as the “Project Facility”), the Facility and portions of the Equipment will be owned by the Company and leased to various tenants, including Off Track Betting and Shop Rite, and the balance of the Equipment to be owned by Shop Rite, all of the foregoing to constitute retail, supermarket and service facilities; (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.

B. The only potential impacts on the environment noted in the Reviewed Material or otherwise known to the Agency, and the Agency’s evaluation of the potential significance of same, are as follows:

1. The Project will result in an increase in energy use. As the local utilities can accommodate this increase, this potential impact will not be significant.
2. The Project will increase traffic. The Company has conducted a traffic impact study and recommends that a traffic signal be installed.
3. It is not anticipated that the Project will have any adverse impact on threatened or endangered aquatic species or other plant or animal resources.
4. The proposed Project is not anticipated to have a significant adverse impact on agricultural resources.
5. It is not anticipated that noise associated with the construction of the Project will have a significant impact on the environment or surrounding residents. Following completion of the Project, it is not anticipated that there will be any noise impacts as a result of the proposed Project.
6. It is not anticipated that there will be any significant adverse impact on the environment from odors during the construction or operational phase of the Project.
7. According to the EAF, the Project will be compatible with the adjoining/surrounding lands uses within a ¼ mile area.
8. No increase in water usage is described in the EAF. With respect to stormwater, the Company will comply with applicable requirements.
9. The Company will provide landscaping at the site.

C. No other potentially significant impacts on the environment are noted in the Reviewed Materials, and none are known to the Agency.

Section 2. Based upon the foregoing investigation of the potential environmental impacts of the Project and considering both the magnitude and importance of each environmental impact therein indicated, the Agency makes the following findings and determinations with respect to the Project:

A. The Project constitutes an “Unlisted Action” (as said quoted term is defined in the Regulations) and therefore coordinated review and notification of other involved agencies is strictly

optional. The Agency hereby determines not to undertake a coordinated review of the Project, and therefore will not seek lead agency status with respect to the Project;

B. The Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment. Therefore, the Agency hereby determines that the Project will not have a significant effect on the environment, and the Agency will not require the preparation of an environmental impact statement with respect to the Project; and

C. As a consequence of the foregoing, the Agency has decided to prepare a negative declaration with respect to the Project.

Section 3. The Chief Executive Officer of the Agency is hereby directed to prepare a negative declaration with respect to the Project, said negative declaration to be substantially in the form and to the effect of the negative declaration attached hereto, and to cause copies of said negative declaration to be (A) filed in the main office of the Agency and (B) distributed to the Company.

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	_____
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 July 21, 201 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 21st day of July, 2011.

(Assistant) Secretary

(SEAL)

EXHIBIT A

ENVIRONMENTAL ASSESSMENT FORM (EAF)

SHORT ENVIRONMENTAL ASSESSMENT FORM

INSTRUCTIONS:

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

ENVIRONMENTAL ASSESSMENT

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

PREPARER'S SIGNATURE: [Signature] TITLE: Managing Partner, Hershberg & Hershberg

REPRESENTING: Engineer for the Applicant/Owner DATE: December 2, 2010

EXHIBIT B

CITY OF ALBANY PLANNING BOARD NOTIFICATION

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

ADDRESS OF SUBJECT PROPERTY: 709 & 711 Central Avenue

IN THE MATTER OF: Site Plan Approval for the construction of a 65,605 square foot supermarket with 340 accessory parking spaces and a 20,000 +/- square foot Off Track Betting (OTB parlor) with 210 accessory parking spaces. The applicant is seeking approval for the demolition of buildings at 711 & 733 Central Avenue, 55 Grant Avenue and 149 Hunter Avenue.

APPLICANT: Columbia Development Companies
ADDRESS: 302 Washington Ave. Ext., Albany, NY 12203

CASE NUMBER: 12-10, 800

Date Received: 12/14/10
Preliminary Presentation: 12/30/10
SEQR Determination: 3/3/11
Date of Decision: 3/3/11

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: 7.9 acres (5.4 & 2.5).

Location: The property in question has frontage along three principal streets: Central Avenue, Grant Avenue and Third Street. The site also abuts Hunter Avenue. The closest thoroughfare to the west is Everett Road.

Zoning: Highway Commercial (C-2). The Board of Zoning Appeals on 2/9/11 approved a Parking Lot Permit to allow for the provision of a 340-space parking lot as accessory to a 65,605 square foot supermarket to be located at 709 Central Avenue. Board of Zoning Appeals approval was not required for the property at 711 Central Avenue due to the State exemption from such regulations, as per the opinion of the Corporation Counsel.

Surrounding Uses: *North:* 26,825 square foot warehouse, exterior yard, parking and office. *West:* DePaula Chevrolet auto dealership. *East:* Predominantly residential uses along Grant Avenue; Capital Collision Service at 141 Hunter Avenue; Dunkin Donuts at

677 Central Avenue. *South:* Advantage Suzuki auto dealership, deli/corner store, tavern and residential uses across Central Avenue.

Proposed Project: The applicant is proposing to construct a 65,605 square foot supermarket (unconfirmed to be ShopRite) and a 20,000 square foot OTB facility at the site, to be comprised of eight existing tax parcels. Four buildings are proposed to be demolished in order to accommodate the proposal, including the existing OTB facility. However, the existing OTB facility will remain while the new facility is constructed, as per New York State requirements. It is unclear whether the supermarket will be constructed in tandem with the new OTB facility or shortly thereafter.

Traffic: An increase in traffic is anticipated. The applicant has conducted a traffic impact study and recommends that a traffic signal be installed at the westerly entrance / exit from Central Avenue. This is one of two means of ingress/egress from/to Central Avenue, the other being approximately 350 feet east of the signalized intersection. Ingress/egress will also be located on Third Street and egress-only onto Grant Avenue. Trucks and larger vehicles will access the site via Third Street. A total of 550 parking spaces will be provided.

Bike/Pedestrian/Transit: Pedestrian access is provided from Grant, Hunter and Central Avenues. The location is serviced via the #55 (Albany-Schenectady) and #1 (Central Avenue-Wolf Road) bus service. A new bus stop and shelter location will be installed adjacent to the site by the applicant.

Water/Sewer: A significant increase in water usage is not anticipated because existing buildings at the site currently comprise a comparable cumulative floor area as that proposed. A new sanitary sewer lateral for each building will be required and will connect to an existing sanitary sewer on Third Street. Estimated peak flows are 6,560 gallons per day from the proposed supermarket and 2,000 gallons per day from the proposed OTB.

Stormwater: A SWPPP has been prepared and will comply with the latest version of the New York State Stormwater Design Manual. The provision of a treatment system to treat 100% of WQv will lead to a reduction of discharge from the site. A subsurface filter has been selected for treatment, inclusive of a 123' x 25' sediment tank and a 92' x 25' filter basin. Additionally, an overflow tank and large diameter pipes will store the balance of volume required to contain 100% of WQv.

Archeology: An archeological review was determined unnecessary for this site.

Landscaping: A variety of landscaping will be placed throughout the site. Trees will be positioned at the terminus of the parking aisles and along the eastern and northern site perimeter. Additionally, landscaping and ornamental screening will be provided along Central Avenue street frontage.

Lighting: A total of thirteen luminaires, ranging between 30' and 35' in height are proposed to light the outdoor parking area.

Solid Waste: Garbage disposal areas are indicated on the site plan.

Signage: Freestanding signage will be located along the Central Avenue street frontage.

Demolitions: Several building demolitions are proposed for demolition in order to accommodate the project. The buildings are as follows:

<u>Address</u>	<u>Year</u>	<u>Construction</u>	<u>Sq. Ft.</u>	<u>Use</u>
711 Central Avenue	1991	Wood, Brick & Steel	63,164	OTB, Nightclub, Restaurant
733 Central Avenue	1950	Wood, Brick	4,859	Rental Car Service
55 Grant Avenue	1960	Wood, Brick & Steel	19,520	Office
149 Hunter Avenue	1930	Wood, Brick	3,614	Converted Residence (Printing)

Actions Taken:

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

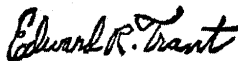
The Board **Approved** the demolition of structures at 711 & 733 Central Avenue, 55 Grant Avenue and 149 Hunter Avenue.

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

1. The applicant shall obtain final approval from the Department of Water & Water Supply and Division of Fire & Emergency Services.
2. The plans shall satisfy all conditions of approval specified by the Division of Engineering, the Traffic Engineering Unit and the Albany County Planning Board.

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 March 3, 2011.

Date: 3/3/11

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.

NOTICE OF DETERMINATION
OF NO SIGNIFICANT EFFECT
ON THE ENVIRONMENT

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

In accordance with Article 8 (State Environmental Quality Review) of the Environmental Conservation Law (the "Act"), and the statewide regulations under the Act (6 NYCRR Part 617) (the "Regulations"), notice is hereby given that City of Albany County Industrial Development Agency (the "Agency") has reviewed an application and an environmental assessment form from SRS Albany, LLC (the "Company") in connection with the proposed project described below (the "Project") and that the Agency has determined (A) that the proposed Project is an "Unlisted Action" pursuant to the Regulations, and therefore that coordinated review and notification is optional with respect to said Project; (B) to conduct an uncoordinated review of the Project; (C) that the Project will result in no major impacts and therefore will not have a significant effect on the environment; and (D) therefore that an environmental impact statement is not required to be prepared with respect to the Project. THIS NOTICE IS A NEGATIVE DECLARATION FOR THE PURPOSES OF THE ACT.

1. Lead Agency: The Agency has determined not to follow the coordinated review provisions of the Regulations. Therefore, there is no lead agency for the Project.

2. Person to Contact for Further Information: Michael J. Yevoli, Executive Director, City of Albany Industrial Development Agency, 21 Lodge Street, Albany, New York 12207; Telephone No. 518-434-2532 ext. 16.

3. Project Identification: Proposed SRS Albany, LLC Project.

4. Project Description: The Project (the "Project") consists of the following: (A) (1) the acquisition of an interest in parcels of land containing approximately 7.95 acres and located at the following addresses in the City of Albany, New York: (i) 711 Central Avenue (s/b/l no. 64.28-2-3), (ii) 733 Central Avenue (s/b/l no. 64.28-2-1), (iii) 35 Grant Avenue (s/b/l no. 64.28-2-29), (iv) 729 Central Avenue (s/b/l no. 64.28-2-2), (v) 870 Third Street (s/b/l no. 64.28-2-33), (vi) 145 Hunter Avenue (s/b/l no. 65.28-2-21), (vii) 55 Grant Avenue (s/b/l no. 64.28-2-30), and (viii) 149 Hunter Avenue (s/b/l no. 65.28-2-30) (the "Land"), together with the 58,000 square foot facility located on a portion of the Land (the "Existing Facility"), (2) the demolition of the Existing Facility, (3) the construction on the Land of two new buildings: (i) the first building to contain approximately 23,644 square feet ("Building One"), and (ii) the second building to contain approximately 65,000 square feet of space ("Building Two" and together with Building One, being collectively referred to as the "Facility") and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), the Facility and portions of the Equipment will be owned by the Company and leased to various tenants, including Off Track Betting and Shop Rite, and the balance of the Equipment to be owned by Shop Rite, all of the foregoing to constitute retail, supermarket and service facilities; (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.

5. Project Location: The Project Facility will be located at 711 Central Avenue, 733 Central Avenue, 35 Grant Avenue, 729 Central Avenue, 870 Third Street, 145 Hunter Avenue, 55 Grant Avenue and 149 Hunter Avenue in the City of Albany, Albany County, New York.

6. Reasons for Determination of Non-Significance: By resolution adopted by the members of the Agency on July 21, 2011 the Agency determined that the following potential environmental impacts of the Project will not constitute significant adverse impacts: increase in energy usage, increase in traffic, construction that may continue for more than one year and altering patterns of storm water runoff. No other significant environmental impacts were identified by the Agency in its review of the environmental assessment form submitted to the Agency with respect to the Project and, based upon the Agency's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, no significant environmental impacts are known to the Agency.

7. Comment Period: All interested parties, groups and persons disagreeing with or otherwise desiring to comment upon the Agency's environmental determination with respect to this Project are invited to submit written comments for consideration by the Agency. All such comments should be sent by mail addressed to Michael J. Yevoli, Executive Director at the address specified in paragraph two hereof.

Dated: July 21, 2011

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Executive Director

**APPROVING RESOLUTION
SRS ALBANY, 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 July 21, 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
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0711-__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK AND SALE/LEASEBACK TRANSACTIONS FOR
THE SRS ALBANY, 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 civic, manufacturing and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity

and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, in April, 2011, SRS Albany, 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 parcels of land containing approximately 7.95 acres and located at the following addresses in the City of Albany, New York: (i) 711 Central Avenue (s/b/l no. 64.28-2-3), (ii) 733 Central Avenue (s/b/l no. 64.28-2-1), (iii) 35 Grant Avenue (s/b/l no. 64.28-2-29), (iv) 729 Central Avenue (s/b/l no. 64.28-2-2), (v) 870 Third Street (s/b/l no. 64.28-2-33), (vi) 145 Hunter Avenue (s/b/l no. 65.28-2-21), (vii) 55 Grant Avenue (s/b/l no. 64.28-2-30), and (viii) 149 Hunter Avenue (s/b/l no. 65.28-2-30) (the “Land”), together with the 58,000 square foot facility located on a portion of the Land (the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of two new buildings: (i) the first building to contain approximately 23,644 square feet (“Building One”), and (ii) the second building to contain approximately 65,000 square feet of space (“Building Two” and together with Building One, being collectively referred to as the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), the Facility and portions of the Equipment will be owned by the Company and leased to various tenants, including Off Track Betting and Shop Rite, and the balance of the Equipment to be owned by Shop Rite, all of the foregoing to constitute retail, supermarket and service facilities; (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 May 6, 2011 (the “Public Hearing Resolution”), the Agency agreed to accept the Application and 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 June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 9, 2011 on a bulletin board located in the City Hall Rotunda located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on June 6, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing commencing on June 16, 2011 at 12:00 o’clock p.m., local time and reconvening on June 30, 2011 at 12:00 o’clock p.m. local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly

summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on July 21, 2011 (the “SEQR Resolution”), the Agency determined (A) to conduct an uncoordinated review of the Project and (B) that the Project is an “Unlisted action” which will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

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 \$21,663,664;

(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. In connection with the Project, the Agency hereby makes the addition findings and determinations regarding the portion of the Equipment to be owned by Shop Rite (the "Tenant") (hereinafter referred to as the "Shop Rite Equipment"):

(A) The acquisition and installation of the Shop Rite Equipment is a "Type II" action under SEQRA;

(B) The Agency is hereby authorized to acquire and install the Shop Rite Equipment and lease the Shop Rite Equipment to Shop Rite, or its assigns; and

(C) The sale/lease back documents to be entered into in connection with the acquisition and installation of the Shop Rite Equipment are part of the Project and shall be included in the definition of the "Agency Documents".

Section 8. 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 9. (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 10. 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 11. 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	_____
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 July 21, 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 21st day of July, 2011.

(Assistant) Secretary

(SEAL)

**RESOLUTION APPROVING NEW MORTGAGE
ALBANY MOLECULAR RESEARCH, 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 July 21, 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
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0711-__

**RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN MORTGAGE DOCUMENTS WITH RESPECT TO THE
ALBANY MOLECULAR RESEARCH, INC. PROJECT.**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State

of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, in January 2005, the Agency executed and delivered a lease agreement dated as of January 1, 2005 (the "Lease Agreement") with Albany Molecular Research, Inc. (the "Company") to assist the Company in undertaking a certain commercial project (the "Project"); and

WHEREAS, the Project consisted of the following: (A) (i) the acquisition of an interest in an approximately 2.74 acres parcel of real property located at 26 Corporate Circle, City and County of Albany, New York (the "Land"); (ii) demolition of the existing building on the Land and construction on the Land of an approximately 50,000 square foot corporate office building (the "Building"); and (iii) the construction of an approximately 255 space parking lot (the "Parking Lot") (the Building and the Parking Lot are hereinafter collectively, the "Facility"); and (iv) the installation in the Facility of a variety of equipment, machinery and other personal property (the "Equipment") (the Land, the Facility and the Equipment are hereinafter collectively called the "Project" or "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, consisting of potential exemptions from certain sales taxes, real property taxes and mortgage recording taxes (the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in connection with the execution and delivery of the Lease Agreement, the Agency entered into the Basic Documents (as defined in the Lease Agreement); and

WHEREAS, the Company is now being required by its lender, Bank of America, National Association (the "Lender") to grant a mortgage (the "New Mortgage") to the Lender to secure the repayment of certain outstanding loans between the Company and the Lender (collectively, the "Company Loan"); and

WHEREAS, the New Mortgage will be granted by the Company on the Project Facility; and

WHEREAS, by letter from the Company to the Agency dated May 25, 2011 (the "Letter"), a copy of which is attached hereto as **Schedule A**, the Company has requested that the Agency assist the Company in the granting of the New Mortgage; and

WHEREAS, the Letter also requested that the Agency, as the owner of an interest in the Project Facility, enter into the New Mortgage and any other security documents or related documents and provide the Company with an exemption from the New York State mortgage recording tax (the "Mortgage Tax") (the New Mortgage together with any other security documents or related documents and the documents required to provide the exemption from Mortgage Tax being collectively referred to as the "Transaction Documents"); and

WHEREAS, the Agency's execution of the Transaction Documents will not result in the Agency providing more than \$100,000 of new "financial assistance" (as such quoted term is defined in the Act) to the Company, and, therefore, Section 859-a of the Act does not require a public hearing to be held with respect to such actions; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the execution and delivery of the Transaction Documents; and

WHEREAS, pursuant to SEQRA, the Agency has reviewed the Company’s request to have the Agency execute and deliver the Transaction Documents in order to make a determination as to whether such request is subject to SEQRA, and it appears that the actions contemplated by such request are not considered “Actions” under SEQRA;

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

Section 1. Based upon an examination of the Company’s request, the Agency hereby determines that the Agency’s execution and delivery of the Transaction Documents constitutes a “Type II action” pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Transaction.

Section 2. 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 Agency held a public hearing under Section 859-a of the Act with respect to the original Project and the original granting of an exemption from Mortgage Tax relating to the original Project;

(C) A portion of the amount of the Company Loan is in excess of the amount expended by the Company in connection with the original Project, however, all such amounts reflect expenditures for capital projects located in the City of Albany and related to the original Project;

(D) The granting of the exemption from Mortgage Tax will assist the Company in addressing current market and financial conditions;

(E) The Company is not in default under any of the Basic Documents, including the PILOT Agreement;

(F) The amount of the exemption from Mortgage Tax on any additional amounts of the Loan will not exceed \$100,000 and, accordingly, the Agency is not required to schedule a public hearing under Section 859-a of the Act;

(G) The entering into of the Transaction Documents constitutes a “project,” as such term is defined in the Act;

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

(I) 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;

(J) 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; and

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

Section 3. The Agency hereby approves the execution and delivery of the Transaction Documents, provided, however, that such consent is contingent upon (A) the written consent by any holder of any mortgage on the Project Facility, if required, (B) approval by Agency Counsel and Agency Special Counsel to the form of the Transaction Documents, (C) compliance with the terms and conditions contained in the Basic Documents, (D) evidence satisfactory to the Agency that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility, if any, have been paid, (E) the payment by the Company of the administrative fee of the Agency, and all other fees and expenses of the Agency in connection with the delivery of the Transaction Documents, including the fees of Agency Counsel and Agency Special Counsel, and (F) the following additional conditions:

Section 4. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairperson (or Vice Chairperson) of the Agency is hereby authorized to execute and deliver the Transaction Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairperson (or Vice Chairperson) shall approve, the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 5. 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 Transaction 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 Letter.

Section 6. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Pede	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	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 July 21, 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 ____ day of July, 2011.

(Assistant) Secretary

(SEAL)

SCHEDULE A

THE LETTER FROM THE COMPANY TO THE AGENCY

---SEE ATTACHED---

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

Attorneys and Counselors at Law

9 WASHINGTON SQUARE
ALBANY, NEW YORK 12205

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

Debra J. Lambek
debra@sgmalbany.com

May 25, 2011

Mr. Michael Yevoli
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York

Re: City of Albany Industrial Development Agency ("Agency") and Albany
Molecular Research, Inc ("Company")

Dear Mike:

In 2005 the Agency entered into a lease with the Company with respect to the following project: (i) acquisition of an interest in approximately 2.74 acres of land located at 26 Corporate Circle, City and County of Albany, New York (ii) demolition of the existing building on the land and construction on the land of an approximately 50,000 square foot commercial office building (iii) the construction of an approximately 255 space parking lot, and (iv) the installation in the facility of a variety of equipment, machinery and other personal property.

In connection with the Project, the Agency granted a payment in lieu of tax agreement ("PILOT Agreement") which is still in effect.

The Company has negotiated a loan with Bank of America, National Association in the original amount of \$22,500,000 which will be secured by a mortgage lien on the Project ("Financing"). In connection therewith, the Company requests the Agency provide a mortgage tax exemption with respect to the Financing. Attached is a copy of the original lease agreement, between the Company and the Agency Section 8.14 contemplates financing of indebtedness with respect to the Project.

Please let me know if you need any further information in order for us to move forward and to present this request to the Agency. Thank you

If you have any questions please do not hesitate to call.

SEGEL, GOLDMAN, MAZZOTTA & SIEGEL, P.C.
Attorney and Counselors at Law

Sincerely,

SEGEL GOLDMAN MAZZOTTA & SIEGEL, P.C.

Debra J. Lambek, Esq.

DJL/bb

cc: Joseph Scott
Erik Smith
Eric Lemont

CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING

MEMO

TO: City of Albany IDA members

FROM: Megan Daly, Deputy Commissioner

RE: 60 State Place, LLC IDA application (revised PILOT request)

DATE: July 15, 2011

Following is the revised requested PILOT for the 60 State Place, LLC project, submitted by John Harris on behalf of Gordon Development. At the time of initial submission, the project requested a twenty (20) year PILOT at 100% abatement on the increased value for years 1-20. Based on feedback from Board and staff, and careful consideration of their project needs for success, the applicant revised the request to 100% abatement on the increased value for years 1-12, declining by 5% each year thereafter until year 20, when the project would be at 60% abatement on increased value. At year 21 the project would become fully taxable. Their economic model of this request is attached. The scenario is based on a current building assessment of \$200,000, recently updated by the City Tax Assessor.

Please note that the project has initiated the development review process and will be on the July 21st Planning Board meeting agenda. The project has not yet completed the SEQR process and therefore IDA staff recommend the project be discussed at the July 21st IDA meeting, but held for Board action until the August meeting. Discussion at the 7/21 IDA meeting will allow staff to proceed with a deviation letter to the effected taxing jurisdictions in preparation for the August meeting, if this meets with Board consent.

The applicant presented their project details at the June 16th public hearing, which includes the rehabilitation and redevelopment of the vacant space into a new ground floor commercial tenant and 14 new rental units. The commercial space represents 25% of the overall square footage and will introduce a new restaurant on the State Street corridor. The residential space will be redeveloped out of the rear and upper floors that have egress on to Green Street and provide access to parking at the Green and Hudson Parking garage. The project represents a significant investment in downtown residential and retail development, which are strategic priorities for the City of Albany's Economic Development office. The goal is to: reuse vacant or underutilized space; reprogram undesirable or obsolete Commercial Class C and B office space in downtown; and provide downtown living options which are increasingly in demand. A recently updated market feasibility study completed by Volk Zimmerman recognizes that the downtown

Albany market can support 200 new residential units per year. Further, the report indicates that with additional residential activity, new retail will be attracted to the district. This project will add both uses and enhance a critical mass that is emerging.

A barrier to development for achieving this number of units per year has been the high cost of redeveloping historic buildings. This includes the cost of remediation in addition to the rehab construction costs. It is worth noting that once complete, these projects rent up. Downtown Albany residential units are currently 100% occupied. To help support projects, the City of Albany Economic Development office coordinates with various financial assistance programs to support new projects. This project is currently under review with the New York State Division of Homes and Community Renewal for a NY Main Street anchor grant and was recently approved for National Grid Main Street assistance. The long term property tax assistance through the IDA is a critical component to the project's financial model.

If I can provide any further information, please contact me. I look forward to seeing you at the IDA meeting on July 21, 2011.

Thank you.
Megan

7/15/2011

ESTIMATED TAXES

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Differences) (Abatement Savings)
Current Year	8,401	8,401	0
Year 1	8,653	8,653	0
Year 2	8,912	8,912	0
Year 3	9,179	9,179	0
Year 4	9,455	9,455	0
Year 5	9,739	9,739	0
Year 6	10,031	10,031	0
Year 7	10,332	10,332	0
Year 8	10,642	10,642	0
Year 9	49,324	10,961	38,363
Year 10	90,317	11,290	79,027
Year 11	133,726	11,628	122,097
Year 12	179,657	11,977	167,680
Year 13	185,047	20,972	164,075
Year 14	190,598	30,496	160,103
Year 15	196,316	40,572	155,744
Year 16	202,206	51,226	150,980
Year 17	208,272	62,482	145,790
Year 18	214,520	74,367	140,153
Year 19	220,956	86,909	134,047
Year 20	227,585	100,137	127,447
Year 21	234,412	234,412	0

7/15/2011

60 STATE PLACE
PROJECTED PROFIT – CASH FLOW BEFORE DEPRECIATION (REVISED)

YEAR	Without IDA benefits	With IDA benefits
1	27,540	27,540
2	30,241	30,241
3	33,022	33,022
4	35,885	35,885
5	38,835	38,835
6	68,324	68,324
7	71,454	71,454
8	74,677	74,677
9	39,635	77,998
10	2,391	81,418
11	-10,706	111,391
12	-52,661	115,019
13	-53,954	110,121
14	-55,287	104,816
15	-56,658	99,086
16	-58,072	92,908
17	-59,527	86,263
18	-61,026	79,127
19	-62,571	71,476
20	-64,160	63,287

From the The Business Review:

http://www.bizjournals.com/albany/morning_call/2011/06/grant-to-aid-downtown-albany.html

Grant to aid downtown Albany apartment, restaurant development

The Business Review - by Michael DeMasi

Date: Tuesday, June 28, 2011, 7:02am EDT



- Michael DeMasi
- Reporter
- Email: mdemasi@bizjournals.com

A \$60,000 grant will go toward renovating a building in downtown Albany, New York, into a restaurant, catering facility and 11 to 16 apartments.

The Downtown Albany Business Improvement District received the \$60,000 grant from National Grid through the utility's Main Street program.

The money will be used to preserve and renovate the historic former KeyBank branch at 60 State St.

The Gordon Cos., a downtown developer, owns the building.

Brothers **Jeffrey Gordon** and **David Gordon**, co-presidents of the firm, said there is strong demand for the types of uses they are intending to pursue.

"There really is nothing like this building in public use today," **Jeffrey Gordon** said.

Among its features are the original vault in the basement. The bank was designed by the Beaux-Arts architecture firm York and Sawyer in 1901 and built in 1902. At the time it was the National State Bank building.

"In challenging economic times, it is important to support projects that renovate older buildings to attract residents and businesses to downtown Albany, especially a site that acts as a gateway to the downtown area," National Grid Regional Executive **William Flaherty** said.

Other residential conversions planned or underway downtown include 15 studio and one-bedroom apartments at 4-6 Sheridan Ave., nine apartments at 111 Pine Street/518 Broadway, and 24 luxury condos at 17 Chapel St.

See related story: Apartments planned for former KeyBank branch.

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: Penta on Broadway, LLC- IDA Application Summary

DATE: July 15, 2011

Applicant: Penta on Broadway, LLC

Managing Members: Charles B. Rosenstein, Christopher Maddalone, Seth Meltzer

Project Location: 522-524 Broadway

Project Description: Proposed conversion of approximately 13,000 sq.ft. of vacant commercial space to 14 residential rental units (floors 2, 3, 4) and approximately 3,000 sq.ft. of rentable commercial space (ground floor). The 4th floor will also have a laundry room and exercise area for residents. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc.

Estimated Project Cost: \$1,550,000

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$648,813

Total Mortgage Amount: \$1,058,000

Current Assessment: \$515,000

Estimated Improved Assessment: \$1,550,000

Requested PILOT: A 15 year PILOT with 100% abatement on the increased assessment value (after completion of the project) for the first 10 years. Then the abatement on the increased assessment value decreases for the following 5 years at 16.66% per year. At which time full assessment will be paid in Year 16 and every year thereafter.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$51,905
- Mortgage Recording Taxes: \$13,225
- Real Property Taxes \$669,914 (over 15 year PILOT period)
- Other: None

Employment Impact:

- Projected Permanent: N/A (potential for creation of jobs upon commercial space rental)
- Projected Construction: (9) individuals will be associated with this project, excludes subcontractors

Other Economic Benefits: First, it will revive a building that has sat vacant for over three years. In doing so the project compliments the City of Albany's initiatives to revitalize its downtown by providing vibrant, new, upscale housing that will attract professionals. Second, it will decrease the overall commercial vacancy downtown by changing the use of the property to mixed-use residential. Third, the project will increase the number of individuals living downtown thus increasing the consumer base to support small local businesses.

Planning Board Actions:

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 6/23/11
- Approved the site plan on 6/23/11 with the following conditions:
 - The applicant shall obtain final approval from Department of Water & Water Supply and the Division of Fire and Emergency Services

Date: July 14, 2011

TO: Erik Smith and the City of Albany
IDA Board

FROM: Penta on Broadway

RE: Request for information on IDA Application

Dear Mr. Smith:

Our schedule of requested tax abatement from the IDA is seeking a phase in full assessment period of 15 years for the following reasons and is based upon the enclosed documentation and schedules submitted with our IDA application:

1. The property is currently assessed at \$515,000.00.
2. The current tax rates for the City of Albany are as follows:

Property Tax: approx. \$19.00 (includes BID Tax) per \$1000.00 of assessed value.

School Tax: approx. \$26.00 per \$1000.00 of assessed value

3. Based upon these tax rates the estimated current taxes for the property is:

Property Tax: \$9800.00 (rounded)

School Tax: \$13,400.00(rounded)

Total Taxes: \$23,200.00

4. We believe the value of the building after renovations will be \$1,550,000.00
5. Based upon a full value assessment using the same tax rates, the following estimates of the taxes are as follows:

Property Tax:\$29,500.00(rounded)

School Tax: \$40,300.00(rounded)

Total Taxes: \$69,800.00

6. Based upon current expenses and revenue projections for the project, we believe that we would need to keep the taxes at their current year one level in order to give the project time to stabilize and time to generate sufficient operating income to cover an increase in the taxes to be assessed on the property. We are projecting an increase of annual rents of 3 percent and an increase in operating expenses of 2 percent per annum. Please see the attached spreadsheet setting forth the income and expense projections.
7. In addition to utilizing a profitability approach, we also reviewed the debt coverage ratios (DCR) for the project. As you will see from the spreadsheet submitted, at year 10 this is the first year that the DCR is positive. As such, we have used this year as an equitable start to phase in the move to full tax assessment. We have proposed a full assessment in year 16 as this is the first year that the DCR will be above that which our lender will require in order to commit to make a loan for the required construction and permanent loan financing, that being a minimum of 1.30 DCR. Based upon our projections, the DCR will be at a 1.32 in year 16.
8. At the year 10 level, we proposed an equitable increase to the taxes of an annual increase in taxes of 16.66 percent per year for the next 5 year at which time the project will be fully assessed in year 16 and we believe the project will be able to cover the full taxable assessment.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

AMENDED 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: Penta on Broadway LLC

APPLICANT'S ADDRESS: 465 New Karner Road

CITY: Albany STATE: New York ZIP CODE: 12205

PHONE NO.: 518-452-6979 FAX NO.: 518-452-6873 E-MAIL: crosenstein@cbrlaw.net

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

Charles B. Rosenstein; Christopher Maddalone or Seth Meltzer

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

NAME OF ATTORNEY: Charles B. Rosenstein, Esq.

ATTORNEY'S ADDRESS: 465 New Karner Road

CITY: Albany STATE: New York ZIP CODE: 12205

PHONE NO.: 518-452-6979 FAX NO.: 518-452-6873 E-MAIL: crosenstein@cbrlaw.net

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: **Penta on Broadway, LLC**

Contact Person: **Charles B. Rosenstein.**

Phone Number: **518-452-6979**

Occupant: vacant

Project Location: **522-524 Broadway, Albany, New York 12207**

Approximate Size of Project Site: We are seeking to convert an approximately 13,000 sq. ft. vacant office building into one **14 unit apartment building with a first floor commercial retail space. Approximately 9995 Rentable Residential Square Feet and an additional 2887 square feet of rentable commercial space totaling 12,882 square feet. The building as renovated will have an approximate value of \$1,550,000.00. Building footprint approximately 46 x 83 or 3818 square feet.**

Description of Project: **Total Rehab of vacant commercial office building and renovation to 14 market rate residential apartments consisting of 1 and 2 bedrooms and 1 commercial retail space.**

The project plan is to revitalize the downtown Albany area by providing residential living options available to both local employees working in the downtown Albany area as well as drawing out of the area residents to have an option to live in downtown Albany. The building has been vacant since approximately 2009. The building was home to the Downtown Albany Business Improvement District Offices (BID) who were forced to vacate the building due to a flood in the building. The water issues have been fully addresses and resolved and the damage caused by the water has been fixed and this issue will be anon issue in the future use of this building. The area where the building is located will add to the residential revitalization of the downtown Albany and compliment other like projects currently going on in this area.

The plan called for the interior to be gutted and to re-establish the floor plans to accommodate 14 residential apartments in total on floors 2, 3 and 4. The 4th floor will have a laundry room as well as an exercise area for the residents. There will also be a roof top terrace with a beautiful view of the Albany skyline. There will also be an approximate 2887sq. ft. commercial retail space available to lease on the fist floor of the building. To complete the project will require the removal of many of the existing partition walls and the electrical wiring as well as new windows. All new plumbing, gas and electric service will meet, or exceed, the newest State and City building codes.

The building will be a model for the residential revitalization of downtown Albany which is a priority of the City of Albany.

The total budget for the project, including acquisition, construction costs, taxes, insurance, lender inspection fees and interest is approximately \$1,468,700.00. Penta on Broadway, LLC will expend \$350,000.00 to obtain the building and Penta on Broadway, LLC will infuse more than \$1,000,000.00 into the construction project to renovate the building to have it ready to lease up to tenants looking for residential living in downtown Albany.

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☐ Commercial ☐ Not-For-Profit
☒ Other-Specify Mixed Use including **residential Housing**

Employment Impact: Existing Jobs None

***New Jobs- 20 Temporary construction jobs from the commencement of renovations until completion of the construction Phase of the project. After completion, it is hoped that the retail tenant for the first floor will create several permanent jobs for the business that will occupy the space.**

Project Cost: estimated to be **\$1,550,000.00**

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

Amount of Bonds Requested: \$ NONE

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ <u>51,905.00</u>
Mortgage Recording Taxes:	\$ <u>13,225.00</u>
Real Property Tax Exemptions:	\$ <u>669,914.00 over 15year pilot period</u>
Other (please specify):	\$ <u>0.00</u>

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

A. Identity of Company:

1. Company Name: **Penta on Broadway, LLC**

Present Address: 465 New Karner Road, Albany, NY

Zip Code: **12205**

Employer's ID No.: applied for

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

N/A

3. Indicate type of business organization of Company:

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

b. ____ Partnership (if so, indicate type of partnership _____,
Number of general partners _____, Number of limited partners ____).

c. X Limited liability company,
Date created? May 9th, 2011

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:
NO

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
Charles B. Rosenstein 95 Daniel Street Slingerlands, New York 12159	Managing Member	Charles B. Rosenstein, Esq. Marathon Title Agency, Inc.
Christopher Maddalone 1124 Rugby Road Schenectady, New York 12308	Managing Member	Maddalone & Associates, Inc. Maddalone Development, LLC Maddalone Construction, LLC
Seth Meltzer 60 Montrose Drive Delmar, NY 12054	Managing Member	Paychex, Inc. Keram Estates, LLC

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
SEE B – Each 33.33%		

--	--	--

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

Berkshire Bank, NA

II. DATA REGARDING PROPOSED PROJECT

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

We are seeking to convert an approximately 13,000 sq. ft. vacant office building into one **14 unit apartment building with a first floor commercial retail space. Approximately 9995 Rentable Residential Square Feet and an additional 2887 square feet of rentable commercial space totaling 12,882 square feet.. The building footprint is approximately 46 x 83 or 3818 square feet.**

Description of Project: **Total Rehab of vacant commercial office building and renovation to 14 market rate residential apartments consisting of 1 and 2 bedrooms and 1 commercial retail space.**

The project plan is to revitalize the downtown Albany area by providing residential living options available to both local employees working in the downtown Albany area as well as drawing out of the area residents to have an option to live in downtown Albany. The building has been vacant since approximately 2009. The building was home to the Downtown Albany Business Improvement District Offices (BID) who were forced to vacate the building due to a flood in the building. The water issues have been fully addresses and resolved and the damage caused by the water has been fixed and this issue will be anon issue in the future use of this building. The area where the building is located will add to the residential revitalization of the downtown Albany and compliment other like projects currently going on in this area.

The plan called for the interior to be gutted and to re-establish the floor plans to accommodate 14 residential apartments in total on floors 2, 3 and 4. The 4th floor will have a laundry room as well as an exercise area for the residents. There will also be a roof top terrace with a beautiful view of the Albany skyline. There will also be an approximate 2887sq. ft. commercial retail space available to lease on the fist floor of the building. To complete the project will require the removal of many of the existing partition walls and the electrical wiring as well as new windows. All new plumbing, gas and electric service will meet, or exceed, the newest State and City building codes.

The building will be a model for the residential revitalization of downtown Albany which is a priority of the City of Albany.

B. Location of Proposed Project:

1. Street Address: **522-524 Broadway**
2. City of **Albany**
3. Town of
4. Village of
5. County of **Albany**

C. Project Site:

1. Approximate size (in acres or square feet) of Project site:. **Approximately .09 acres. Building footprint approximately 46 x 83 or 3818 sq. feet.**

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: approximately 19,040 sq. feet.

One Building. See Attachment

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

Vacant – total gut rehabilitation. To be completed by 10 months from acquisition, proposed May 1, 2012.

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

At the commencement of the Project, projected for July 1st, 2011, building will have been vacant for somewhere between 2-3 years . This project will be an approximate \$1,400,000.00 total rehabilitation of the building that will add 14 market rate apartments to downtown Albany and 1 commercial retail space

- 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: 524 Broadway Realty LLC
- a. If the Company owns project site, indicate date of purchase: _____; 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: March 22, 2011; and the date the option expires: June 22, 2011.
- 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: Penta on Broadway, LLC has a contract with current owner to purchase the project site. A copy is provided herewith.
5. a. Zoning District in which the project site is located: **C-3**
- 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: Site Plan approval is necessary.

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 building is being converted from a vacant commercial office building to a 14 unit residential building with an approximately 3000 sq. ft. commercial retail space for lease on the first floor without any change to exterior dimensions.

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

Building will be rented to residents with middle to upper range of rents.

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:
Heating and cooling equipment, Security equipment, fire suppression system, Kitchen appliances including, refrigerators, stoves, dishwashers, microwave ovens.
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:

For end use residential tenants as well as an end use commercial retail tenant.

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?

Residential housing and commercial tenant on First Floor
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:
The project supports the working public of the City of Albany by providing dwellings at a market rate to keep those workers who might otherwise flee to the suburbs. In doing so, it provides a market base to small local businesses.
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____; No X. If yes, please explain:
- 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: **The project is located in what was once an Empire Zone prior to the expiration of that legislation. The area is currently undergoing a revitalization from a strictly commercial and office building use to providing a residential apartment living option for those wishing to live in the downtown area of the City of Albany.**

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__; No X_. If yes, please explain: **The Project should increase the overall number of permanent, private sector jobs in the City of Albany because it creates 14 upscale dwellings in an area that needs this type of residential housing option. By creating these dwellings, it attracts professional workers who might otherwise leave the City for the suburbs or the State for one that might have these types of dwellings in a downtown setting. The project is in the heart of the Capital of the State of New York. The project will also add to the number of people who will frequent the downtown stores and businesses thereby increasing revenue for the businesses and the City.**

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.

City of Albany Building Department, City of Albany Planning Department.

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

Building permits from the Building Department will have to be pulled. Planning approval from Planning Board will have to be obtained .

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:

N/A

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: **Used as residential space and 1 commercial space and will have various tenants throughout.**

1. Sublessee name: T/B/D
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.

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? 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.

There will be workers assigned to this building from the property management company. Although they will not be based 100% of the time at the site, the property management company will have these workers on call to address any needs of the tenants. This brings employees to the site every week to maintain and clean the building, administer the laundry facilities and to act as a base of operation for this property. These jobs are not "new hires" but might cause the property management company to add employees to cover these as their time on

the building increases. These jobs are not relocated from other project sites financed by obligations previously issued by the Agency. The first floor commercial retail tenant will be creating permanent jobs to work at the site in its retail establishment.

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

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	\$ 0.00
Buildings	\$ 350,000.00
Machinery and equipment costs	\$ 0.00
Utilities, roads and appurtenant costs	\$ 0.00
Architects and engineering fees	\$ 16,400.00
Costs of Bond issue (legal, financial and printing)	\$ 0.00

Construction loan fees and interest (if applicable)	\$ 35,000.00
Permits	\$ 5,000.00
General Conditions	\$ 5,000.00
Bank engineer and inspections	\$ 6,800.00
Borrower Legal	\$ 6,000.00
Bank Legal	\$ 6,000.00
Builders Risk Policy	\$ 6,000.00
Appraisal	\$ 3,500.00
Environmental	\$ 1,500.00
Title Fees	\$ 5,000.00
Mortgage/IDA/Capitalize Albany fees	\$ 10,000.00
Survey	\$ 1,500.00
Misc.	\$ 2,500.00
Marketing	\$ 2,500.00
Leasing Commissions	\$ 6,000.00
Taxes	\$ 17,000.00
Contingency	\$ 18,000.00
Construction	\$ 965,000.00
 TOTAL PROJECT COST	 \$ 1,468,700.00

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: ____ Dollars;
 - b. Maturity requested: ____ Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No _____. N/A
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.

N/A

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? \$ 808,000.00 in a first mortgage and \$250,000.00 from Capitalize Albany in a second lien position.

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? \$648,813.00

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: \$ 51,905.00
- b. Mortgage Recording Taxes: \$ 13,225.00
- c. Real Property Tax Exemptions: \$ 669,914.00 over 15 year pilot period
- 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 _____. The project is within the boundaries of the former Empire Zone which did expire in 2010.

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:

Penta on Broadway, LLC

BY:


Seth Meltzer, Managing member

VERIFICATION


(If applicant is Limited Liability Company)

STATE OF Ni)
) SS.:
COUNTY OF Albany)

Seth Meltzer, deposes and says
that he is one of the members of the firm of Penta on Broadway, LLC,
the limited liability company named in the attached application; that he has read the foregoing application
and knows the contents thereof; and that the same is true and complete and accurate to the best of his
knowledge. 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.


Seth Meltzer, Managing Member

Sworn to before me this
14 day of July, 2011


(Notary Public)

CHARLES B. ROSENSTEIN
Notary Public, State of New York
Qualified in Albany Co. No. 4962226
Commission Expires Feb. 12, 2014

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.

Penta on Broadway, LLC

BY: 

Seth Meltzer, Managing member

Sworn to before me this
17 day of July, 2011.


(Notary Public)

CHARLES B. ROSENSTEIN
Notary Public, State of New York
Qualified in Albany Co. No. 4962226
Commission Expires Feb. 12, 2011

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"):	Penta on Broadway, LLC
2. Brief Identification of the Project:	Total rehabilitation of vacant/abandoned building at 522-524 Broadway, Albany, NY
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	<u>N/A</u>
B. Value of Sales Tax Exemption Sought	<u>\$ 51,905.00</u>
C. Value of Real Property Tax Exemption Sought	\$669,914.00 over 15 year pilot period
D. Value of Mortgage Recording Tax Exemption Sought	<u>\$13,225.00</u>

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$0.00
2. Site preparation	\$0.00
3. Landscaping	\$0.00
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$0.00
6. Other land-related costs (describe)	\$0.00
B. Building-Related Costs	
1. Acquisition of existing structures	\$350,000.00
2. Renovation of existing structures	\$
3. New construction costs	\$0.00
4. Electrical systems	\$89,300.00
5. Heating, ventilation and air conditioning	\$67,200.00
6. Plumbing	\$101,660.00
7. Other building-related costs (See Attached Below)	\$620,698.99

C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$0.00
2.	Packaging equipment	\$0.00
3.	Warehousing equipment	\$0.00
4.	Installation costs for various equipment	\$0.00
5.	Other equipment-related costs (describe)	\$0.00
D.	Furniture and Fixture Costs	
1.	Office furniture	\$0.00
2.	Office equipment	\$0.00
3.	Computers	\$0.00
4.	Other furniture-related costs (describe)	\$0.00
E.	Working Capital Costs	
1.	Operation costs	\$0.00
2.	Production costs	\$0.00
3.	Raw materials	\$0.00
4.	Debt service and associated lender's fees/costs	\$
5.	Relocation costs	\$0.00
6.	Skills training	\$0.00
7.	Other working capital-related costs (describe)	\$0.00
F.	Professional Service Costs	
1.	Architecture and engineering	\$16,400.00
2.	Accounting/legal	\$0.00
3.	Other service-related costs (describe)	\$0.00
G.	Other Costs	
1.	Annual Taxes	\$67,057.00
2.	(soft costs) permits, inspection fees, bank costs, surveys, insurances, etc	\$156,385.00
H.	Summary of Expenditures	
1.	Total Land-Related Costs	
2.	Total Building-Related Costs	\$1,228,858.00
3.	Total Machinery and Equipment Costs	\$0.00
4.	Total Furniture and Fixture Costs	\$0.00
5.	Total Working Capital Costs	\$0.00
6.	Total Professional Service Costs	\$16,400.00
7.	Total Other Costs	\$223,442.00
	TOTAL	\$1,468,700.00

CONTINUATION SHEET

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

A	B	C
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE
1	Permits	\$6,130.00
2	Mobilization & Demobilization	\$5,700.00
3	Demo & Dump Fee	\$62,400.00
4	Elevator inspection and Face Lift	\$5,000.00
5	Water Service	\$12,000.00
6	Framing	\$48,228.99
7	Electrical	\$83,000.00
8	Plumbing	\$52,760.00
9	Insulation	\$16,000.00
10	Windows	\$59,700.00
11	HVAC	\$67,200.00
12	Sprinkler	\$18,000.00
13	Sheetrock, Tape, Spackle	\$34,824.35
14	Doors	\$38,313.00
15	Kitchen Cabinets & countertops	\$87,500.00
16	Plumbing Fixtures	\$18,900.00
17	Prime & Painting	\$26,388.00
18	Electrical fixtures	\$6,300.00
19	Trim work	\$18,259.36
20	Flooring	\$58,660.00
21	Miscellaneous Carpentry	\$31,993.15
22	Appliances	\$27,900.00
23	Miscellaneous Touches - Mirrors, hand	\$10,142.00
24	Laundry Room	\$300.00
25	Patio	\$6,500.00
26	Exercise Room	\$4,500.00
24	Supervision	\$10,000.00
25	Taxes	\$51,905.00
26	Overhead Profit	\$93,812.14
	--	
	GRAND TOTALS	\$962,315.99

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	\$(29,958.00)	\$14,819.00
2	\$(26,405.00)	\$19,715.00
3	\$(22,725.00)	\$24,779.00
4	\$(18,913.00)	\$30,016.00
5	\$(14,965.00)	\$35,432.00

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

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

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	9 excluding subcontractors	\$270,000.00	\$65,000.00
Year 1		\$ <i>N/A</i>	\$ <i>N/A</i>
Year 2		\$ <i>N/A</i>	\$ <i>N/A</i>
Year 3		\$ <i>N/A</i>	\$ <i>N/A</i>
Year 4		\$ <i>N/A</i>	\$ <i>N/A</i>
Year 5		\$ <i>N/A</i>	\$ <i>N/A</i>

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project: **The project provides support to occupants of Fourteen (14) apartments. It is expected that 90% of these dwellers, if not more, will be employed in the City of Albany. This project brings Fourteen new upscale units to an area where there is currently only an abandoned vacant office building.**

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

- II. Please provide estimates of total new permanent jobs to be created at the Project: It is projected that depending upon the type and size of the commercial tenant leasing the commercial space, anywhere from 2-10 permanent new jobs could be created in this newly renovated commercial office space in the building.

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

- III. Please provide estimates for the following:

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

The answer to this question will depend upon the type and size of the tenant who will be leasing the commercial office space in the building.

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

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

PROJECTED OPERATING IMPACT

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

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

* Residential and commercial tenants in the building would be making these purchases.

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

The property is currently assessed at a value of \$515,000.00 and is being sold for a purchase price of \$350,000.00 which would reduce the assessment and ultimately the

amount of taxes to be generated for the City. Penta on Broadway, LLC will develop a property worth 1.5 million dollars and the resulting assessment will create a significant increase in tax revenues for the City of Albany both during the PILOT period and after the expiration of the PILOT period.

Please see attached PILOT Proposal

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

The project fills a much needed aspect to the downtown Albany business District. Currently there is a significant lack of residential housing units in the downtown Albany area. This project will add fourteen (14) upscale luxury apartments with up market tenants. Our marketing plan consists of working with the local businesses, governmental agencies and local banks to let them know of the housing opportunities to their employees.

The neighborhood will be directly impacted in many ways. First, it is a continuation of the City of Albany's Plan to revitalize the immediate downtown area of the City. It shows a continued commitment to the area and the desire to increase the number of person actually living in the downtown of Albany. The project will also increase the consumer base to support small local businesses. By providing a vibrant, safe, new and upscale housing option it attracts more consumers to the immediate area. This project is a prime example of successful urban renewal, as it is presumed that now there will be an option for renters who might otherwise continue the "suburban flight." More over it is hoped that it will result in bringing people back to the City to live and work.

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

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: July 14, 2011

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

Name: **Charles B. Rosenstein**

Title: **Managing Member**

Phone Number: **518-452-6979**

Address: **465 New Karner Road, Albany, New York 12205**

Signature: 

CREATION OF NEW JOB SKILLS

[illegible]

1995-1996

Penta Development: 522 Broadway PILOT						
Calendar Year	Project Year	Investment w/ Proposed PILOT				% of Abatement on Increased Assessment ⁽⁶⁾
		Assessment ⁽²⁾	Normal Tax (w/o PILOT) ⁽³⁾	PILOT Tax ⁽⁴⁾	Abatement Savings ⁽⁵⁾	
2011	0	\$515,000	\$21,631	\$21,631	\$0	0.00%
2012	1	\$1,550,000	\$67,057	\$22,280	\$44,777	100.00%
2013	2	\$1,550,000	\$69,069	\$22,949	\$46,120	100.00%
2014	3	\$1,550,000	\$71,141	\$23,637	\$47,504	100.00%
2015	4	\$1,550,000	\$73,275	\$24,346	\$48,929	100.00%
2016	5	\$1,550,000	\$75,474	\$25,077	\$50,397	100.00%
2017	6	\$1,550,000	\$77,738	\$25,829	\$51,909	100.00%
2018	7	\$1,550,000	\$80,070	\$26,604	\$53,466	100.00%
2019	8	\$1,550,000	\$82,472	\$27,402	\$55,070	100.00%
2020	9	\$1,550,000	\$84,946	\$28,224	\$56,722	100.00%
2021	10	\$1,550,000	\$87,495	\$29,071	\$58,424	100.00%
2022	11	\$1,550,000	\$90,119	\$39,972	\$50,147	83.33%
2023	12	\$1,550,000	\$92,823	\$51,502	\$41,321	66.67%
2024	13	\$1,550,000	\$95,608	\$63,687	\$31,921	50.00%
2025	14	\$1,550,000	\$98,476	\$76,557	\$21,919	33.33%
2026	15	\$1,550,000	\$101,430	\$90,142	\$11,288	16.67%
2027 ⁽¹⁾	16 ⁽¹⁾	\$1,550,000	\$104,473	\$104,473	\$0	0.00%
Total			\$1,247,193	\$577,279	\$669,914	

Notes:

(1) Full assessment value will be paid (End of Proposed PILOT)

(2) Estimated assessment

(3) Assessment divided by 1,000 multiplied by tax rate. Assumed a tax rate of \$42.00268201 (does not include BID tax that is still payable under PILOT) in 2011 w/ estimated escalation of 3% thereafter

(4) 2011 assessment divided by 1,000 multiplied by tax rate plus : the difference between the new assessment and current assessment divided by 1,000 then multiplied by PILOT payment percentage (1-% of abatement on increased assessment) then multiplied by tax rate. Assumed a tax rate of \$42.00268201 (does not include BID tax that is still payable under PILOT) in 2011 w/ estimated escalation of 3% thereafter

(5) Difference of PILOT Tax from Normal Tax

(6) Percent abatement on increased assessment

Assumptions Worksheet

Assumptions	
Albany Total Tax ⁽¹⁾	42.00268201
Tax Escalator	3.00%

Notes:

(1) Does not include \$2.5643 BID tax that is still payable under PILOT

Normal Albany Tax	
Year	Albany Normal Tax
2011	42.002682
2012	43.262762
2013	44.560645
2014	45.897465
2015	47.274389
2016	48.692620
2017	50.153399
2018	51.658001
2019	53.207741
2020	54.803973
2021	56.448092
2022	58.141535
2023	59.885781
2024	61.682355
2025	63.532825
2026	65.438810
2027	67.401974

Property Overview
522-524 Broadway
Albany, New York

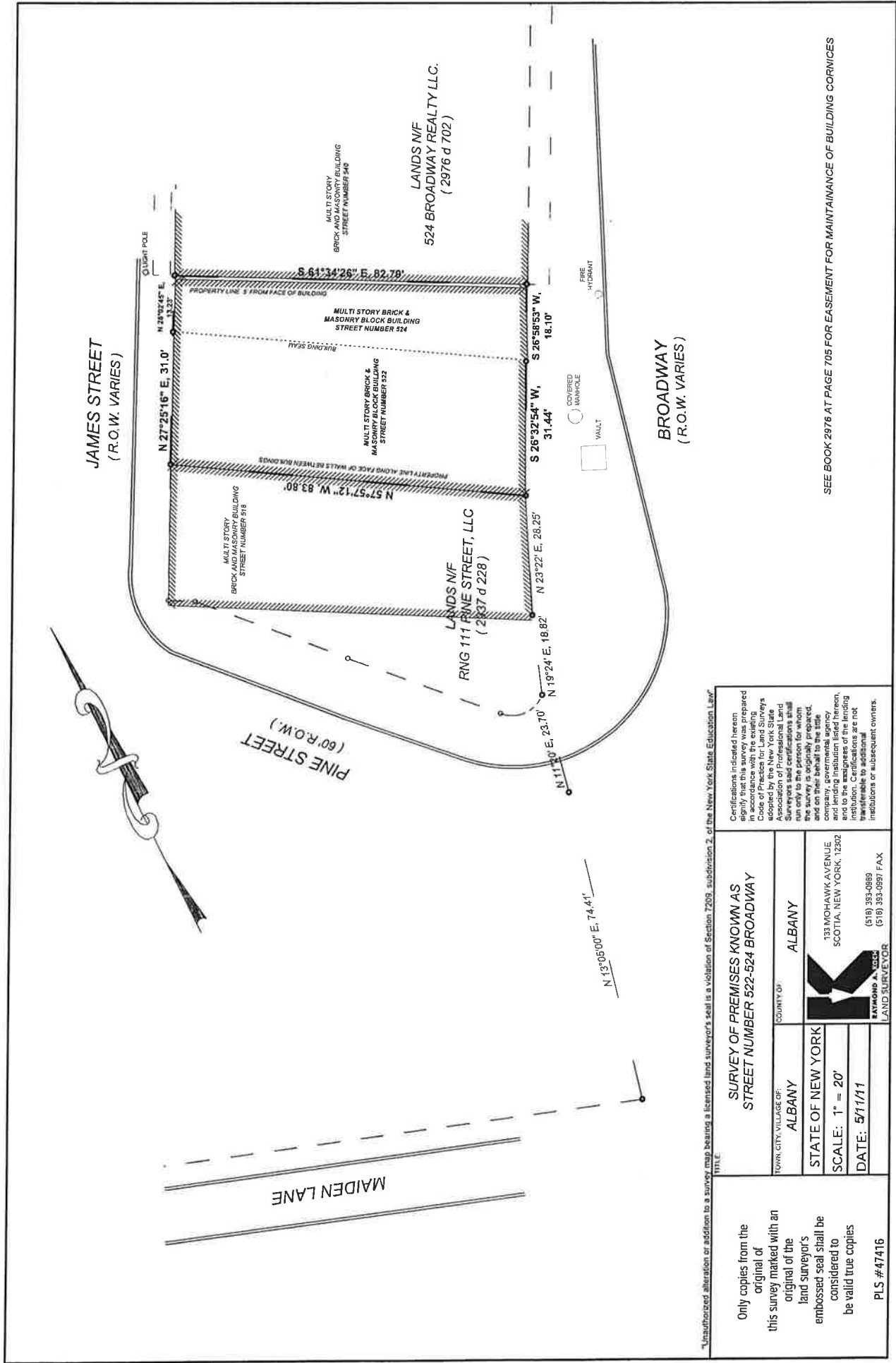
14 Residential Rental Units, 1 Retail Unit



QUESTIONS SHOULD BE DIRECTED TO:

Penta Development Group, LLC, Seth Meltzer – 518 275 5699

Email: seth@PentaDG.com, fax 800 894 2840



Only copies from the original of this survey marked with an original of the land surveyor's embossed seal shall be considered to be valid true copies		PLS #47416		TITLE		SURVEY OF PREMISES KNOWN AS STREET NUMBER 522-524 BROADWAY		Certifications indicated hereon signify that this survey was prepared in accordance with the existing Codes and Standards for Land Surveys adopted by the New York State Association of Professional Land Surveyors said certifications shall run only to the person for whom the survey is originally prepared, and on their behalf to the title and to the assignment of the lending institution. Certifications are not transferable to additional institutions or subsequent owners.	
				TOWN, CITY, VILLAGE OF: ALBANY		COUNTY OF: ALBANY			
				STATE OF NEW YORK				133 MOHAWK AVENUE, SCOTIA, NEW YORK, 12202	
				SCALE: 1" = 20'					
				DATE: 5/11/11					
				LAND SURVEYOR		RAYMOND A. EGGS		(518) 393-0889 (518) 393-0997 FAX	

SEE BOOK 2976 AT PAGE 705 FOR EASEMENT FOR MAINTAINANCE OF BUILDING CORNICES



CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING

June 29, 2011

GERALD D. JENNINGS
Mayor

MICHAEL J. YEVOLI
Commissioner

Penta on Broadway, LLC
Attn: Chris Maddalone
465 New Karner Road
Albany, NY 12205

Re: 522 Broadway (PB Case #6-11, 812)

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

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

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

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

Dear Mr. Maddalone:

Enclosed please find a copy of the Planning Board's Notification of Local Action regarding the application of Penta on Broadway, LLC requesting Site Plan Approval for the conversion of the upper floors of the building to fourteen residential dwelling units. On June 23, 2011 the Board voted to approve the proposed site plan with the following conditions:

1. The applicant shall obtain final approval from the Department of Water & Water Supply and the Division of Fire and Emergency Services.

Once these conditions of approval are addressed and incorporated into the site plan as noted above, four (4) copies of the final site plan should be submitted to this office. These plans will be stamped as approved by the Chair of the Planning Board and distributed as follows:

- one (1) copy sent to you as the applicant's representative.
- one (1) copy retained on file by the City Planning Department.
- one (1) copy referred to both Director of Building and Codes, Nick DiLello and City Engineer, Deirdre Rudolph, P.E., alerting them to the fact that Site Plan Approval has been granted for this project.

Feel free to contact me at (518) 445-0754 if you have any questions regarding this matter.

Sincerely,

Bradley Glass
Senior Planner

Enc.

Cc: Nick Dilello, Division of Building and Codes
Dede Rudolph, Division Engineering

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

ADDRESS OF SUBJECT PROPERTY: 522 Broadway

IN THE MATTER OF: Site Plan Approval to allow for the conversion of the upper four (4) floors of the building from commercial office space to fourteen (14) residential dwelling units.

APPLICANT: Penta on Broadway, LLC
ADDRESS: 465 New Karner Rd., Albany, NY 12205

CASE NUMBER: 6-11, 812

Date Received: 6/3/11
Preliminary Presentation: 6/23/11
Subsequent Presentations: N/A
SEQR Determination: 6/23/11
Date of Decision: 6/23/11

Vote:	For Approval:	3	Abbott:	Y	Pryor:	NV
	Against:	0	Fox:	N/A	Trant:	Y
	Abstain:	0	Hancox:	Y		

Relevant Considerations:

Owner/Applicant: Penta on Broadway, LLC

Parcel size: 0.09 acres.

Property Valuation: \$515,000.00

Location: The property is located on the west side of Broadway between Pine Street and Steuben Place.

Zoning: Central Business (C-3). The proposed use is permitted within the district; no zoning approvals are required.

Surrounding Uses: *North:* 96,781 square foot commercial office building. *West:* 101,730 square foot office / retail structure (fronts on Pearl Street). *East:* NYS Dormitory Authority; Columbia Parking Garage. *South:* 9,520 square foot mixed-use building approved for residential conversion on upper floors; Maiden Lane Park.

Proposed Project: The applicant is proposing to convert the upper four floors of this 18,000 square foot structure for use as fourteen residential dwelling units. The upper

floor space was formerly occupied as commercial office space. An approximately 3,000 square foot retail and/or office space is to occupy the ground floor space. Floors 2-4 will each be comprised of four one-bedroom dwelling units varying from 626 to 698 square feet in size. The 5th floor will have two, two-bedroom dwelling units (1,040 & 1,107 square feet), a workout room, laundry facilities and a rooftop terrace. The façade of the building will be restored as existing and the owner intends to seek historic tax credits for the project. The building appears from Broadway as two separate structures, as it once existed.

Traffic: There will be no direct on-site traffic as a result of the project. The applicant intends to coordinate with the Albany Parking Authority to secure the option for parking at a neighboring garage. Delivery and move in / move out accommodations will also need to be coordinated with the City's Traffic Engineering Division.

Bike/Pedestrian/Transit: The location has excellent access to all modes of transportation and is very close to the pedestrian bridge providing access to recreational opportunities along the City's waterfront. A bicycle rack is proposed at the street front along Broadway.

Water/Sewer: The engineer has yet to determine the exact location of the utility lines. It is anticipated that existing services will be sufficient to accommodate any increase in demand. The increase is expected to be negligible.

Actions Taken:

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

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

1. The applicant shall obtain final approval from the Department of Water & Water Supply and the Division of Fire and Emergency Services.

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 June 23, 2011.

Date: **6/23/11**

Signature: _____

Edward R. Trant

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.



CITY OF ALBANY
DEPARTMENT OF WATER & WATER SUPPLY
35 ERIE BOULEVARD
ALBANY, NEW YORK 12204
TELEPHONE (518) 434-5300
FAX (518) 434-5332

GERALD D. JENNINGS
MAYOR

ROBERT F. CROSS
COMMISSIONER

INTEROFFICE MEMORANDUM:

TO: Brad Glass, Senior Planner
FROM: Justin Schievelbein, Engineering Aide
DATE: June 28, 2011
RE: Site Plan Review
Broadway (522-524)

I have reviewed the most recent plans for the above referenced project and have the following comments:

1. Please provide a site plan showing all existing water (domestic and fire protection) and sewer (sanitary and storm) services to the buildings, including sizes.
2. If the current services will continue to be used, please provide evidence that they are sufficiently sized for the proposed change in usage.

If you have any questions, please feel free to call me at 518-434-5304.

Brad Glass

From: Dan Sherman [shermmand@ci.albany.ny.us]
Sent: Thursday, June 09, 2011 10:30 AM
To: 'Brad Glass'
Cc: 'Loren Lajoy'
Subject: 522-524 Broadway

Categories: Red Category

Brad

The following are some site plan review comments. If you have any questions or need any further information please let me know.

522-524 Broadway – Penta Development Group

The installation of a "Knox Box" key system is required. The Knox box applications and mounting location approval is available through the fire department, attention Captain Loren LaJoy.

The location of the fire department connections must be approved prior to installation and the connection shall have a strobe light unit tied into the alarm system located on the exterior above the connection.

How is roof access provided? Will one of the stairs extend to the roof or is there a ladder with a hatchway? On drawing A-8 there appears to be a door indicated on the west elevation, but I did not see access on the interior.

If the building utilizes trusses in the roof or floor areas the appropriate signage shall be installed on the building as required by the NYS Fire Code.

Daniel Sherman, Senior Building Inspector
Department of Fire & Emergency Services
Division of Building & Codes
City Hall - Room 303
Albany, NY 12207
(518) 434-5995 - Phone
(518) 434-6006 - Fax
shermmand@ci.albany.ny.us - E-mail
www.albanyny.org - web



**PUBLIC HEARING RESOLUTION
PENTA ON BROADWAY 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 July 21, 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
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0711-__

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 PENTA ON BROADWAY LLC PROJECT.

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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 July, 2011, Penta on Broadway LLC, a New York limited liability company (the “Company”) presented an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in a parcel of real estate containing approximately .09 acres located at 522-524 Broadway in the City of Albany, Albany County, New York (the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 19,040 square feet of space (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential and commercial 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease 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	_____
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 July 21, 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 21st day of July, 2011.

(Assistant) Secretary

(SEAL)

MEMO

TO: City of Albany IDA members

FROM: Bradley Chevalier, Economic Developer

RE: Downtown Albany Revitalization, LLC - IDA initial application

DATE: July 15, 2011

Attached is the initial application for the Downtown Albany Revitalization, LLC project submitted by Herbert Ellis - managing partner of Downtown Albany Revitalization, LLC. At this time, IDA staff is still working with the applicant to correct deficiencies within the application. However, due to the substantial nature of the project scope and level of assistance requested, IDA staff want to be sure the Board members have ample opportunity to familiarize themselves with the project well in advance of proposing a public hearing resolution. A revised application will be provided to all Board members this coming Monday, July 18th.

Please be advised that the requested PILOT for the Downtown Albany Revitalization, LLC project is different than that which is found within the attached application. The applicant amended the requested PILOT as follows:

- One Steuben Place ("Steuben Building") – a twenty two (22) year PILOT at 100% abatement on all taxes. At year 23 the project would become fully taxable.
- 74-76 Pearl Street ("Kenmore Hotel") – a twenty two (22) year PILOT at 100% abatement on all taxes. At year 23 the project would become fully taxable.
- 16 Sheridan Avenue ("Times Union Building") – a twenty six (26) year PILOT at 100% abatement on all taxes for years 1-22, declining by 20% each year thereafter until year 26. At year 27 the project would become fully taxable.

In light of the monumental redevelopment project proposed here and the IDA's history with this property and ownership team, IDA staff looks forward to Board input and review.

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: Downtown Albany Revitalization, LLC (a to-be-formed New York limited liability company)

APPLICANT'S ADDRESS: c/o Steuben Place Partners L.P., P.O. Box 648

CITY: Cohoes STATE: New York ZIP CODE: 12047

PHONE NO.: (518) 783-0038 FAX NO.: (518) 783-0510 E-MAIL: HerbE@aquaticgroup.com

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

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

NAME OF ATTORNEY: Timmon M. Favaro, Esq.

ATTORNEY'S ADDRESS: Cannon Heyman & Weiss, LLP, 726 Exchange St., Suite 516

CITY: Buffalo STATE: New York ZIP CODE: 14210

PHONE NO.: (716) 856-1700 FAX NO.: (716) 856-2311 E-MAIL: tfavaro@chwattys.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: Downtown Albany Revitalization, LLC

Contact Person: Herbert S. Ellis

Phone Number: (518) 783-0038

Occupant: N/A

Project Location: One Steuben Place (the “Steuben Building”), 74-76 North Pearl St. (the “Kenmore Hotel”), 16 Sheridan Avenue (the “Times Union Building”), Albany NY

Approximate Size of Project Site: 284,000 sq. ft.

Description of Project: See attached narrative (Attachment A)

Type of Project:

<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Warehouse/Distribution
<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Not-For-Profit
<input type="checkbox"/> Other-Specify _____	

Employment Impact: Existing Jobs – 43
New Jobs – 47 direct, 7 indirect

Project Cost: \$ 29,491,712

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:	\$ 482,560
Mortgage Recording Taxes:	\$ 271,250
Real Property Tax Exemptions:	\$6,446,440 (assuming a 19 year PILOT agreement with a full real property tax exemption for 15 years with a 25% ramp-up for years 16 through 19 and a 8.5% present value discount rate
Other (please specify):	\$ N/A

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

A. Identity of Company:

1. Company Name: Downtown Albany Revitalization, LLC

Present Address: c/o Steuben Place Partners L.P., P.O. Box 648, Cohoes NY

Zip Code: 12047

Employer's ID No.: TBD

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

N/A

3. Indicate type of business organization of Company:

a. N/A 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. Partnership (if so, indicate type of partnership, Number of general
partners , Number of limited partners).

c. ☒ Limited liability company,
Date created? To be formed.

d. N/A Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other
organization(s)? No.

If so, indicate name of related organization(s) and relationship: N/A

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
Herbert S. Ellis 8 Pheasant Lane Menands, NY 12204	Sole member of Downtown Albany Revitalization MM, LLC, the managing member of the Company	N/A
Historic Tax Credit Investor Member (TBD)	Investor member for the purpose of syndication of tax credits	N/A

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

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

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 ☒. (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. See attached narrative re: B.2. (Attachment B)

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No ☒. 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
------	---------	--------------------------

Downtown Albany Revitalization MM, LLC	C/o Herbert S. Ellis 8 Pheasant Lane Menands, NY 12204	80%
Historic Tax Credit Investor Member (TBD)	TBD	20%

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

KeyBank, N.A.

II. DATA REGARDING PROPOSED PROJECT

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

See attached narrative (Attachment C)

B. Location of Proposed Project:

1. Street Address: One Steuben Place (the Steuben Building)
74-76 North Pearl St. (the former Kenmore Hotel)
16 Sheridan Avenue (the former Times Union Building)
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: 284,000 sq. ft.
Is a map, survey or sketch of the project site attached? Yes X ; No _____. See Attachment D
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:

One Steuben Place (84,000 sq. ft. (est))
74-76 North Pearl St. (90,000 sq. ft. (est))
16 Sheridan Avenue (110,000 sq. ft. (est))

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

Presently the Project buildings are predominantly vacant and underutilized. There is a restaurant, the Pearl Street Pub, and a health club, the Steuben Athletic Club in operation in the Steuben Building.

c. Are existing buildings abandoned? Yes ____; No X. About to be abandoned? Yes ____; No X. If yes, describe: Absent development of the Project, the Project buildings will undoubtedly go into foreclosure and will remain vacant for an extended period of time.

d. Attach photograph of present buildings.

See attached Project Design Book (Attachment D)

3. Utilities serving project site:
Water-Municipal: Yes
Other (describe)
Sewer-Municipal: Yes
Other (describe)
Electric-Utility: National Grid
Other (describe)
Heat-Utility: National Gas
Other (describe)

4. Present legal owner of project site:

One Steuben Place is currently owned by Steuben Place Partners, LP; 74-76 North Pearl St. is currently owned by Historic Redevelopment Associates; 16 Sheridan Avenue is currently owned by Union Associates L.L.C.

- a. If the Company owns project site, indicate date of purchase:
N/A

Purchase price:
N/A

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

- 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:

Herbert Ellis is a principal of the existing ownership entities listed above and all members of the ownership entities have agreed to participate in the transaction described herein. Herbert Ellis will be the sole member of the managing member of Downtown Albany Revitalization, LLC.

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:

There is a zoning variance for the operation of the Pearl Street Pub. The variance is attached as Attachment G.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ☐; No ☒. 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 ☒; 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 Steuben Building, the Times Union Building and the Kenmore Hotel will each undergo substantial rehabilitation and renovation. The vacant first-floor commercial areas in the Kenmore Hotel will be renovated and converted into retail and office spaces. The remainder of the available square footage in the three buildings will be used to develop market-rate residential apartments.

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

The Steuben Building will contain 34 market-rate apartments. The Steuben Athletic Club and the Pearl Street Pub will continue to operate in the Steuben Building.

The Kenmore Hotel Building will contain 40 market-rate apartments. The street-level storefronts and the office space in the building will be developed for potential commercial tenants that will address the needs of the neighborhood such as a beauty salon, laundry/dry-cleaning business and/or convenience store. An established clothing retailer has expressed interest in leasing available space in the Kenmore Hotel Building as well.

The Times Union Building will contain 95 apartments including eight penthouse apartments each with private terraces on the sixth floor.

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 ☒; No ☐. If yes, describe the Equipment:

The development plan for Project will include upgrades to many systems including, but not limited to, elevators, HVAC, security systems and electronic systems. Such systems will be either updated or added as needed.

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:

The elevators, HVAC systems, security systems and electric system upgrades will be principally used to provide services for the various commercial and residential tenants of the Project.

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?

The principal activities to be conducted at the Project include: Rental of apartments; operation of an athletic club; rental of a restaurant; and rental of office and retail space.

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:

The Project will contain commercial retail rental units that will provide services in addition to the services provided by the existing restaurant and athletic club. An established clothing retailer has expressed interest in leasing available space in the Kenmore Hotel Building and it is anticipated the Project will include businesses that will provide services that meet the demands of the tenants such as spa services, a tenant theater, a meeting and multi-functional room, a convenience store, etc.

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? +/- 5% (est)

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 N/A; No _____. 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 N/A; No _____. If yes, please explain:

- 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 N/A; No _____. 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 N/A; No _____. 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 N/A; No _____. If yes, please explain: _____

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 N/A; No _____. If yes, please explain:

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:

N/A

- a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes N/A; 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 N/A ; 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.

In order for the Project to utilize tax credit financing through the commercial rehabilitation tax credit, the National Park Service and the New York State Office of Parks, Recreation and Historic Preservation will be involved in the approval and certification process for the federal and state rehabilitation tax credits sought.

In order to effectuate the development of the Project it is anticipated that there will be a planning board and zoning review conducted for the Project site. A series of building permits for the various Project development phases will be required in addition to the ancillary permits required (including, as applicable, demolition, sidewalk barricade, street barricade, electrical, plumbing and elevator permits). An environmental survey will likely be needed in order to determine the necessity to remediate any asbestos and/or lead abatement found at the Project buildings. If necessary, such remediation would require the necessary related permits.

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

The National Park Service and the New York State Office of Parks, Recreation and Historic Preservation administer in the approval and certification process for the federal and state rehabilitation tax credits sought for the Project.

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:

N/A

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 ____; No X.

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. Lessee name: John DeJohn (Pearl Street Pub)
Present Address: One Steuben Place
City: Albany State: NY Zip: 12207
Employer's ID No.: N/A
Lessee is: Sole Proprietorship
Relationship to Company: N/A
Percentage of Project to be leased or subleased: 6.9%
Use of Project intended by Lessee: operation of restaurant
Date of lease or sublease to Lessee: January 5, 2009
Term of lease or sublease to Lessee: 15 years
Will any portion of the space leased by this Lessee 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 Lessee. (See Attachment E)
2. Tenant name: Steuben Athletic Club (not on lease)
Present Address: One Steuben Place
City: Albany State: NY Zip: 12207
Employer's ID No.:
Tenant is: Partnership
Relationship to Company: Owned by Steuben Place Partners, LP
Percentage of Project to be occupied: 7.7%
Use of Project intended by Tenant: Athletic Club
Date of lease or sublease to Tenant: to be executed upon Project completion
Term of lease or sublease to Tenant: N/A
Will any portion of the space leased by this tenant 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 tenant.
3. Lessee name: United States of America, General Services Administration
Present Address: 74 North Pearl Street

City: Albany State: NY Zip: 12207

Employer's ID No.:

Lessee is: Government Entity

Relationship to Company: N/A

Percentage of Project to be occupied: 4.2%

Use of Project intended by Lessee: Administrative office

Date of lease or sublease to Lessee: initial lease 6/18/98, subsequent renewals

Term of lease or sublease to Lessee: Rolling term: Lessee can opt out on 120 day notice

Will any portion of the space leased by this Lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____. No X _____. 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 tenant.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? 11.1%

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	4	9	0	0	13
Present Part Time	0	30	0	0	30
Present Seasonal	0	0	0	0	0
First Year Full Time	4	9	0	0	13
First Year Part Time	0	32	0	0	32
First Year Seasonal	0	0	0	0	0
Second Year	9	21	10	0	40

Full Time					
Second Year Part Time	0	45	5	0	50
Second Year Seasonal	0	0	0	0	0

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.

See attached narrative (Attachment F) for current and future employment information regarding this Section B.

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	\$810,000
Buildings	\$7,290,000
Machinery and equipment costs	\$1,926,586
Utilities, roads and appurtenant costs	\$0
Architects and engineering fees	\$658,000
Costs of Bond issue (legal, financial and printing)	N/A
Construction loan fees and interest (if applicable)	\$1,417,500
Other (specify)	
Soft costs	\$872,000
Developer fee	\$3,422,212
Hard costs	\$13,095,414
TOTAL PROJECT COST	\$29,491,712

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 Dollars;
 - b. Maturity requested: N/A Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? N/A 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 skating, skateboard and ice skating): Yes ____; No ____
 - i. racquet sports facility (including handball and racquetball court): Yes ____; No ____
 - j. hot tub facility: Yes ____; No ____
 - k. suntan facility: Yes ____; No ____
 - l. 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. N/A
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? \$18,000,000
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? \$6,032,000.
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: \$482,560
- b. Mortgage Recording Taxes: \$271,250
- c. Real Property Tax Exemptions:
\$6,446,440 (assuming a 19 year PILOT agreement with a full real property tax exemption for 15 years with a 25% ramp-up for years 16 through 19 and a 8.5% present value discount rate)
- 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 ____; No _____. N/A

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:

Downtown Albany Revitalization, ELC

BY: 

Name: Herbert S. Ellis

Title: *President*

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

(If applicant is limited liability company)

Herbert S. Ellis, deposes and says that he is, or will be, one of the members of Downtown Albany Revitalization, LLC, a to-be-formed 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.

of and from the books and papers of said limited liability

Herbert S. Ellis

Sworn to before me this
10th day of Jan, 2011.

Laurel W. Bander
(Notary Public)

RALPH W. BANDEL
 Notary Public, State of New York
 Qualified in Albany County
 No. 00BA4899592
 Commission Expires June 15, 20 17

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.

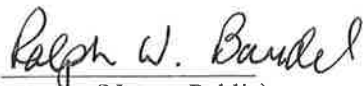
Downtown Albany Revitalization, LLC

By: 

Name: Herbert S. Ellis

Title: *member*

Sworn to before me this
10th day of *June*, 2011


(Notary Public)

RALPH W. BANDEL
Notary Public, State of New York
Qualified in Albany County
No. 02BA4899592
Commission Expires June 15, 20 11

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"): | Downtown Albany Revitalization, LLC (a to-be-formed New York limited liability Company) |
| 2. Brief Identification of the Project: | Restoration and renovation to the Steuben, Kenmore Hotel and Times Union buildings. |
| 3. Estimated Amount of Project Benefits Sought: | |
| A. Amount of Bonds Sought: | \$N/A |
| B. Value of Sales Tax Exemption Sought | \$482,560 |
| C. Value of Real Property Tax Exemption Sought | \$6,446,440 |
| | (assuming a 19 year PILOT agreement with a full real property tax exemption for 15 years with a 25% ramp-up for years 16 through 19 and a 8.5% present value discount rate) |
| D. Value of Mortgage Recording Tax Exemption Sought | \$271,250 |

PROJECTED PROJECT INVESTMENT

- | | |
|---|-----------|
| A. Land-Related Costs | |
| 1. Land acquisition | \$810,000 |
| 2. Site preparation | \$235,145 |
| 3. Landscaping | \$0 |
| 4. Utilities and infrastructure development | \$0 |
| 5. Access roads and parking development | \$0 |
| 6. Other land-related costs (describe) | \$0 |

B.	Building-Related Costs	
1.	Acquisition of existing structures and predevelopment costs (including back taxes to financing closing)	\$7,290,000
2.	Renovation of existing structures	\$10,644,382
3.	New construction costs	\$0
4.	Electrical systems	\$802,301
5.	Heating, ventilation and air conditioning	\$963,293
6.	Plumbing	\$963,293
7.	Other building-related costs (describe)	
C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$0
2.	Packaging equipment	\$0
3.	Warehousing equipment	\$0
4.	Installation costs for various equipment	\$0
5.	Other equipment-related costs (describe) HVAC	\$1,926,586
D.	Furniture and Fixture Costs	\$0
1.	Office furniture	\$0
2.	Office equipment	\$0
3.	Computers	\$0
4.	Other furniture-related costs (describe)	\$0
E.	Working Capital Costs	
1.	Operation costs	\$0
2.	Production costs	\$0
3.	Raw materials	\$0
4.	Debt service	\$0
5.	Relocation costs	\$0
6.	Skills training	\$0
7.	Other working capital-related costs (describe) – soft cost contingency/lease-up reserve	\$600,000
F.	Professional Service Costs	
1.	Architecture and engineering	\$658,000
2.	Accounting/legal	\$455,000
3.	Other service-related costs (describe)	\$1,834,500

The \$1,834,500 total is comprised of the following: \$180,000 for IDA administrative costs, \$30,000 for building permit fees, \$180,000 for financing commitment fees, \$30,000 for cost certification, \$77,000 for title premiums and recording costs, \$15,000 for appraisal fees, \$60,000 for marketing and advertising, \$25,000 for costs associated with environmental work and \$1,237,500 for construction period interest.

G.	Other Costs	
1.	Developer Fee (100% of which is deferred and this line item is being included to enhance the historic tax credit financing. May only be paid out as a percentage of cash flow after all expenses and debt service is paid and with approval of lender. Expected payout over fifteen to twenty years).	\$3,422,212
2.	_____	\$ _____

H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$1,045,145
2.	Total Building-Related Costs	\$20,663,269
3.	Total Machinery and Equipment Costs	\$1,926,586
4.	Total Furniture and Fixture Costs	\$0
5.	Total Working Capital Costs	\$600,000
6.	Total Professional Service Costs	\$1,834,500
7.	Total Other Costs	\$3,422,212
	TOTAL COSTS	\$29,491,712

Summary of Sources

1.	Loan; 25 year term, 6% interest, 6 year balloon payment mortgage	\$18,000,000
2.	Financing from Historic Tax Credit Equity	\$3,676,381
3.	Deferred Developer Fee	\$3,422,212
4.	Owner plug equity	\$4,393,119
	TOTAL	\$29,491,712

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: (Note the figures included under "With IDA benefits" are figured with the assumption of rental of commercial space at \$1.40 per sq. ft. and upon lease-up with a 6.5% vacancy rate)

YEAR	Without IDA benefits	With IDA benefits
1	\$0	\$287,332
2	\$0	\$300,394
3	\$0	\$313,470
4	\$0	\$326,554
5	\$0	\$339,637

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	0	0	\$0
Year 1	168	\$3,283,040	\$210,329
Year 2	168	\$3,283,040	\$210,329
Year 3	0	\$0	\$0
Year 4	0	\$0	\$0
Year 5	0	\$0	\$0

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	4	39	N/A	N/A
Year 1	4	39	N/A	N/A
Year 2	4	39	N/A	N/A
Year 3	4	39	N/A	N/A
Year 4	4	39	N/A	N/A
Year 5	4	39	N/A	N/A

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	0	2	0	0
Year 2	5	25	15	0
Year 3	1 (est.)	5 (est.)	10 (est.)	0
Year 4	1 (est.)	5 (est.)	10 (est.)	0
Year 5	1 (est.)	5 (est.)	10 (est.)	0

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: 80% (est.)

A. Provide a brief description of how the project expects to meet this percentage: A preference will be given to potential employees of the Company that are City of Albany residents. It is estimated that a number of the jobs created by the development of the Project will be filled with tenants of the Project as well.

PROJECTED OPERATING IMPACT

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

Additional Purchases (1 st year following project completion)	\$117,400
Additional Sales Tax Paid on Additional Purchases	\$9,392
Estimated Additional Sales (1 st year following project completion)	\$260,000
Estimated Additional Sales Tax to be collected on additional sales (1 st year following project completion)	\$20,800

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	\$141,000	\$0	\$141,000
Year 1	\$141,000	\$0	\$141,000
Year 2	\$813,100	\$0	\$813,100
Year 3	\$813,100	\$0	\$813,100
Year 4	\$813,100	\$0	\$813,100
Year 5	\$813,100	\$0	\$813,100
Year 6	\$813,100	\$0	\$813,100
Year 7	\$813,100	\$0	\$813,100
Year 8	\$813,100	\$0	\$813,100
Year 9	\$813,100	\$0	\$813,100
Year 10	\$813,100	\$0	\$813,100

Note: assuming a 19 year PILOT agreement with a full real property exemption for years 1 through 15 with a 25% ramp-up in real property taxes for years 16 through 19 and a 8.5% present value discount rate.

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

The Project will house an estimated 260 residents who will reside in the residential apartments. Such residents will create a population mass that will provide residual economic benefits to the city as a whole and in the proximity of the buildings in particular. The addition of office space and renovated storefronts, coupled with the existing Steuben Athletic Club and Pearl Street Pub, will also draw activity into the central business district.

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: June 10, 2011.

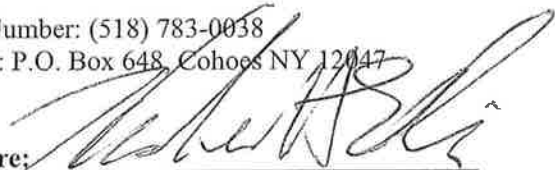
Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Herbert S. Ellis

Title:

Phone Number: (518) 783-0038

Address: P.O. Box 648, Cohoes NY 12047

Signature: 

CREATION OF NEW JOB SKILLS

New Job Skills	Number of Positions Created	Wage Rate
Professional management	5	\$30,000 to \$60,000 salary
Mid-level management	7	\$30,000 to \$40,000 salary
Lower-level management	3	\$20,000 to \$35,000 salary
Personal trainer	1	\$40,000 approx. salary
Store clerk	9	\$7.25 per hour
Bartender/Server	7	Set wage rate + tips
Part-time athletic club instructor	2	\$15.00 to \$18.00 per hour
Building superintendent	2	\$32,500 salary/\$12.00 per hour
Office manager	3	Vary based on experience
Janitorial/maintenance	5	\$7.25 to \$12.00 per hour
Athletic club desk staff	3	\$7.25 to \$9.00 per hour

1998

Attachment A

Description of Project

The Project represents an opportunity for the preservation, redevelopment and revitalization of three key buildings in the central business district. The plan encompasses the restoration and redevelopment of the historic, former Kenmore Hotel Building, the historic Steuben Building and the Times Union Building (the former location of ORPS) all under a common plan of financing. All three buildings are located in the central business district and currently all three buildings are vacant and/or underutilized.

This Project plan will convert the bulk of the vacant square footage in the three buildings into mixed-use commercial space of which 169 apartments will be created. The apartments will be marketed towards young professionals and the rents will be targeted at market-rate or above rates. Construction standards and finishes will be uniform among the units in all three buildings. There will be amenities, included in the monthly rent, available to residential tenants of the Project including parking, membership to the Steuben Athletic Club and a 20% discount on food and beverages at the Pearl Street Pub or any other restaurant located in the Steuben Building.

The conditions of the bank financing will be such that construction on the Times Union Building will not commence until the Steuben and Kenmore Hotel Buildings have achieved commitments for 80% of the residential units to be leased. Depending on the results of the Steuben and Kenmore Hotel Building residential unit lease-up there is flexibility to reconfigure the composition and number of apartments in the Times Union Building in order to best serve the local housing market.

The influx of an estimated 260 residents to the central business district will provide residual economic benefits to the city as a whole and in the area in proximity of the buildings in particular. The Project will provide significant, flagship leadership to the rebirth of Albany's central business district by providing a desirable residential option to all capital district residents. In addition, the critical mass created by the size and scope of the Project will provide and convey to the residents the sense of a safe and secure residential option in the capital district.

In addition to the apartments, the introduction of new, renovated retail and office spaces in the Steuben and Kenmore Buildings will further revitalize the central business district by drawing additional non-residents into the Project area in addition to the new resident population. The Project will include improvements to the recently re-opened Steuben Athletic Club, whose continued viability is dependent on this Project. The Steuben Athletic Club will undergo significant renovation and the existing squash facilities will be upgraded to create the club the predominant squash facility in the capital region. The Pearl Street Pub will continue operation in the Steuben Building as well. In the Times Union Building the sixth floor will feature eight penthouse apartments with private terraces.

The mixed-use nature of the Project will serve as a catalyst for the rebirth of the central business district.

Attachment B

I.B.2. (Explanation of Civil Litigation)

Mr. Ellis is plaintiff in an action against the State University Construction Fund ("SUCF") and others. The action is being brought in his capacity as a taxpayer pursuant to State Finance Law Section 123-b and under common law principles of taxpayer standing to challenge alleged improper award of a public works contract by SUCF. State Supreme Court granted defendant's motion to dismiss based on lack of standing and Mr. Ellis has appealed that decision.

Attachment C
II.A. (Description of Project)

The Project represents an opportunity for the preservation, redevelopment and revitalization of three key buildings in the central business district. The plan encompasses the restoration and redevelopment of the historic, former Kenmore Hotel Building, the historic Steuben Building and the Times Union Building (the former location of ORPS) all under a common plan of financing. All three buildings are located in the central business district and currently all three buildings are vacant and/or underutilized.

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The mixed-use nature of the Project will serve as a catalyst for the rebirth of the central business district.

Attachment D
II.A.

Map of Downtown: Steuben, Kenmore and 16 Sheridan

Pictures of Steuben, Kenmore and 16 Sheridan

Full Project Design Books including floor plans available upon request

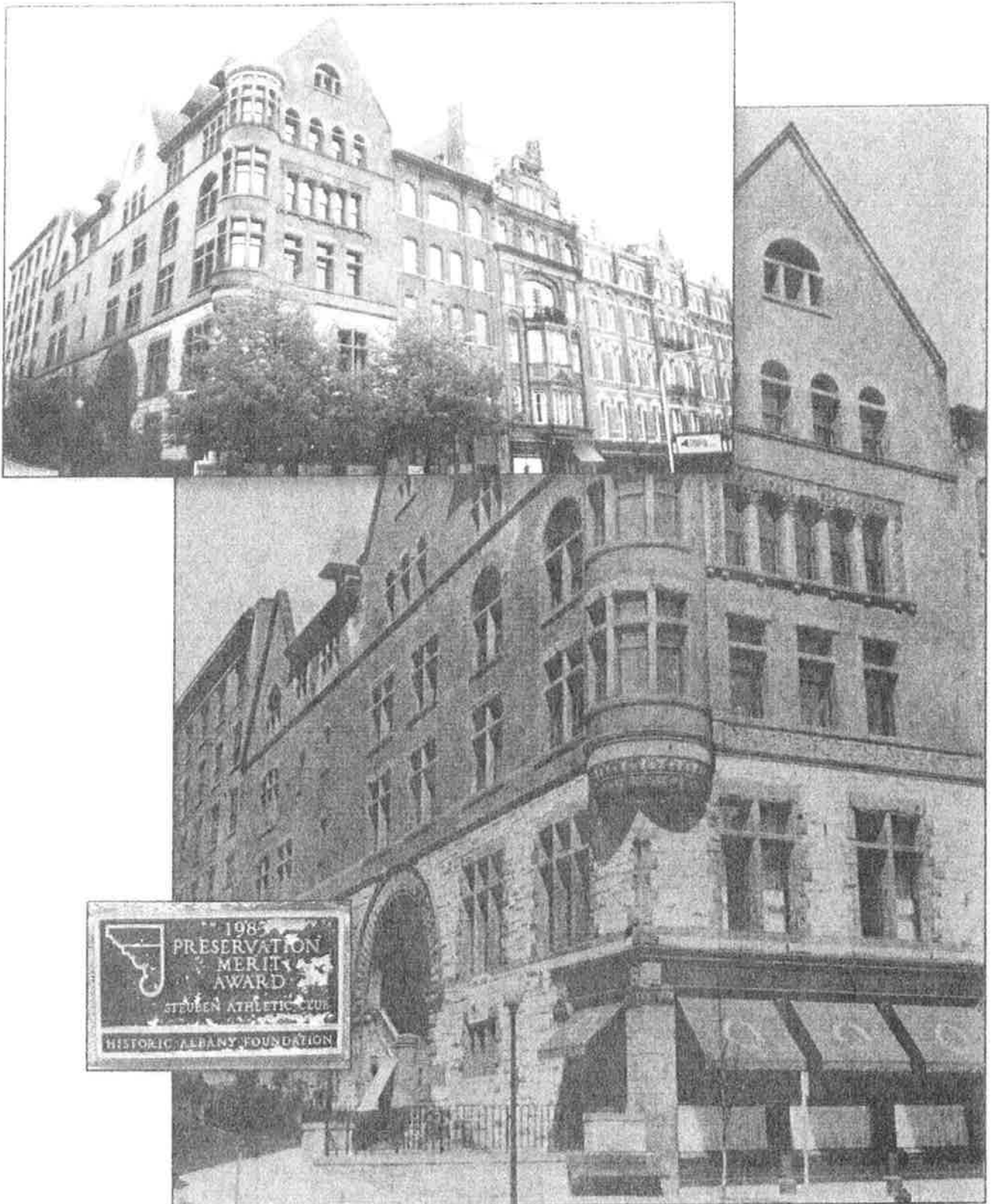


A – One Steuben Place

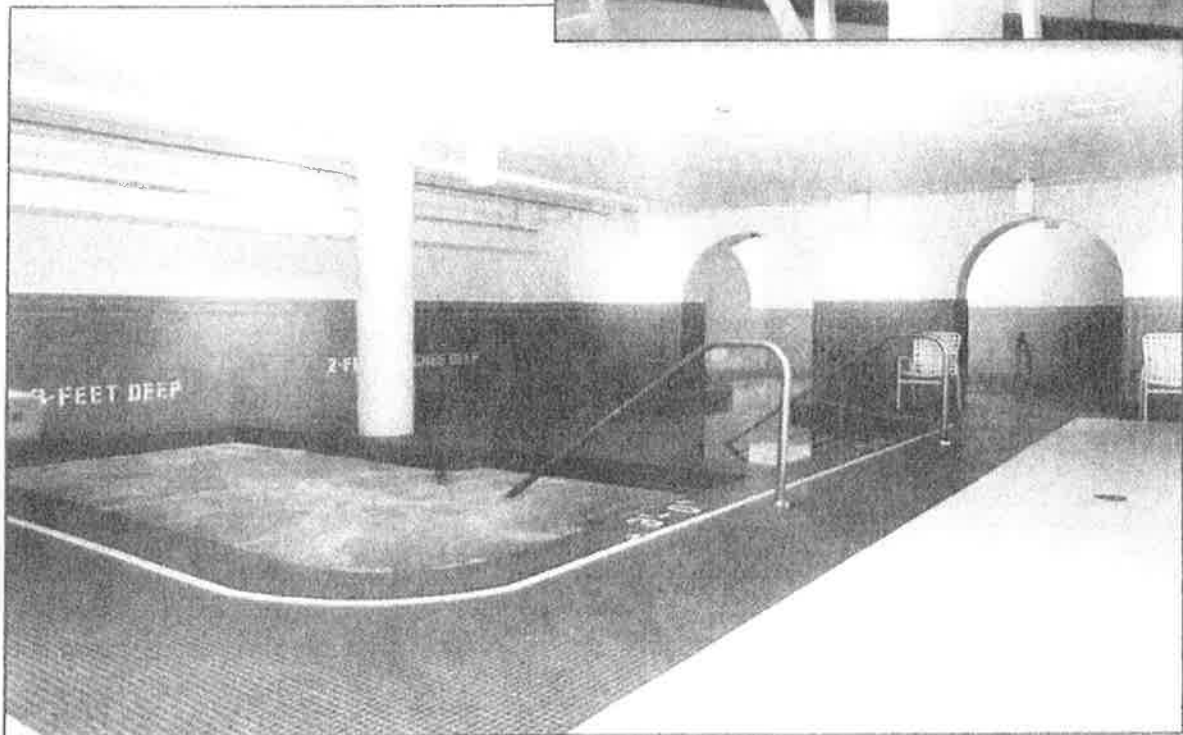
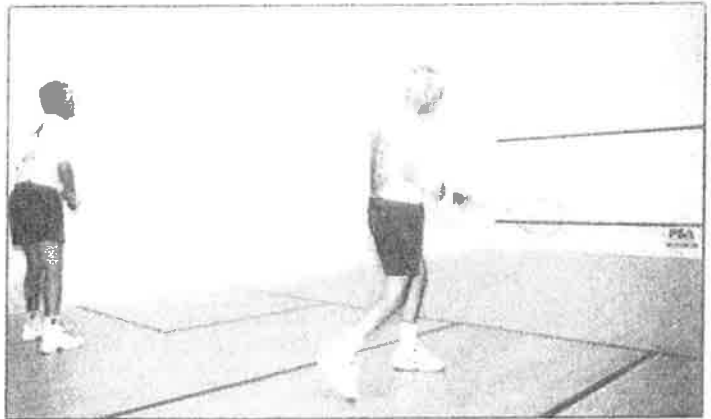
B – 16 Sheridan Avenue

C – Kenmore (74 North Pearl Street)

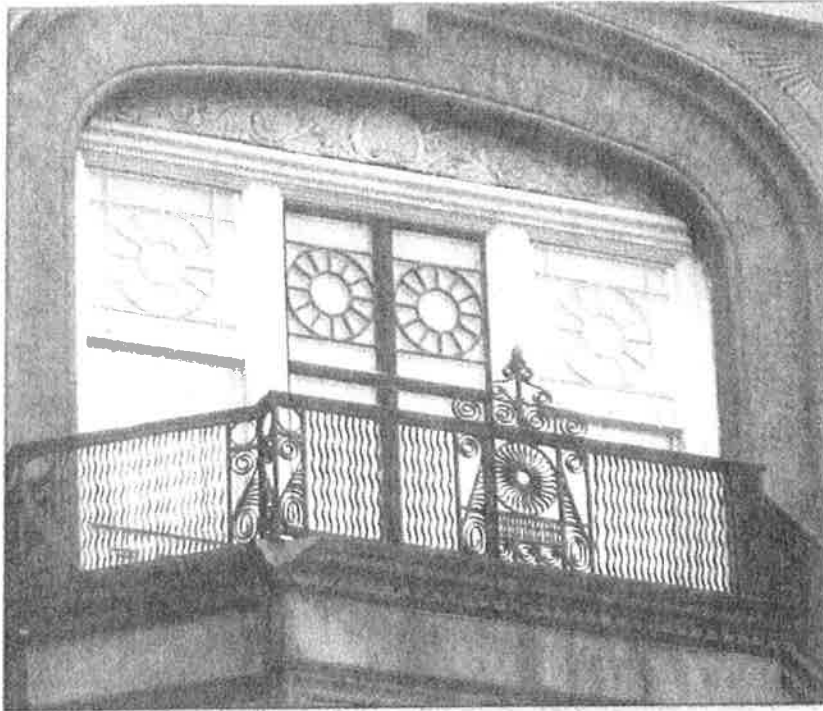
Steuben Building



Steuben Building



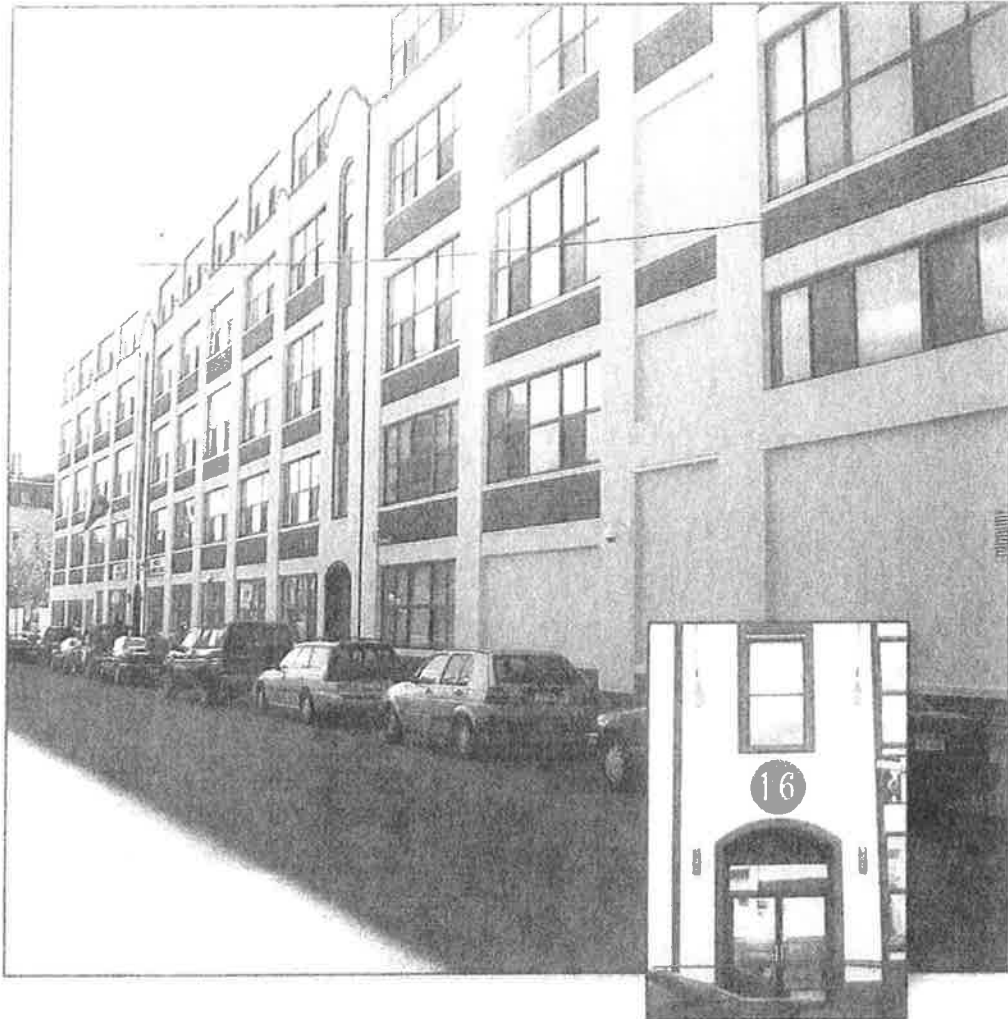
Kenmore Building



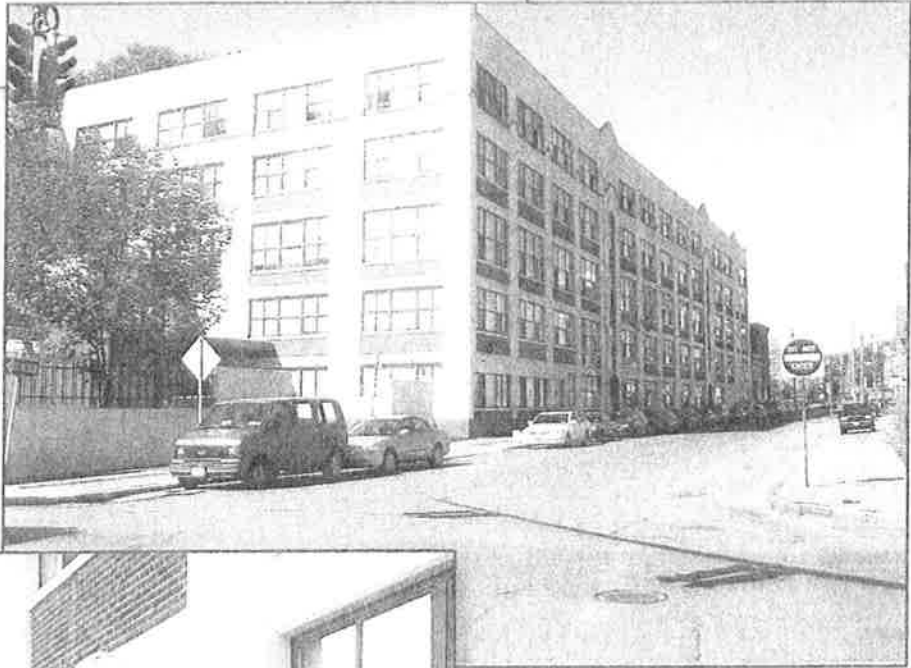
Kenmore Building



16 Sheridan Avenue



16 Sheridan Avenue



Attachment E
III.A.1

(a) Details

The restaurant provides services to the public at large and will provide services to the tenants of the Project.

(b) Questions II(F)(4) through (6) with respect to such Lessee.

II(F)(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? 5% (est.)

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 N/A; No _____. 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:

The restaurant currently draws in members of the public into the area of the Project and the restaurant will provide additional service to the tenants of the Project.

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 N/A; No _____. 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 N/A; No _____. 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:

The Project is located in census tract number 36001001100 which has 36.92% of the tract population under the poverty line based upon the most recent census data.

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:

The completed Project will create many jobs due to the increase in capacity and increased volume for the restaurant and athletic club, jobs generated in connection with the rental of the apartments, and jobs created for the office and retail spaces to be leased upon Project completion.

Attachment F
IV.A and B. (Employment Impact)

Currently at the Project site the Pearl Street Pub and Dirty Martini Lounge employs 39 people, including 3 management employees, 6 skilled, full-time employees and 30 skilled, part-time employees. The Steuben Athletic Club currently employs 4 people, including 1 full-time management employee and 3 skilled, full-time employees.

It is anticipated that upon approval of this application and after the planned Project development is completed, the Project will employ many citizens from the City of Albany and the greater capital region.

In particular, the renovated storefronts of the Kenmore Building will contain businesses that will employ many citizens. The number of potential employees that will work in these storefronts will be contingent on the types of businesses that will occupy the storefronts upon Project completion. In addition to the businesses that will occupy the storefronts in the Steuben Building, there will be additional jobs created upon the leasing of the renovated office areas located in the Steuben Building. Similar to the storefronts, the number of potential employees that will work in the offices will be contingent on the types of businesses that will occupy the office space upon Project completion. Based on the IMPLAN software program data, there will be an additional 47 employee positions created for the Project businesses that will occupy the storefronts, office areas and for building operations and management. Of the new employee positions created it is anticipated that there will be 5 full-time, professional/managerial positions, 14 full-time, skilled positions, 10 full-time, semi-skilled positions, 13 part-time, skilled positions and 5 part-time semi-skilled positions created once the Project is operational. Additionally, the IMPLAN data suggests that 7 jobs will be created indirectly in the greater central business district as a result of the operational Project.

The Steuben Athletic Club, once fully staffed and operational, will employ an additional 6 people, including 1 additional full-time, skilled personal trainer and 5 part-time, skilled employees.

Upon Project completion, Downtown Albany Revitalization, LLC will employ a superintendant, an additional, part-time superintendant, leasing and building maintenance staff to support the Project and the 169 residential apartments in particular for a total of 7 additional employees.

It is anticipated that there will be additional jobs created in proximity of the Project due to new businesses that will open that will cater to the number of people that will reside and work in the Project area. The new residents and employees will create a market for such businesses and the residual effect of adding such businesses will bring more jobs into the central business district.

Note: the IMPLAN analysis system used to provide the employment projections for the Project is a generally accepted modeling software program used by various governmental and private entities to efficiently model the economic impacts and projected job creation figures resulting from a particular development initiative.

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

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

ADDRESS OF SUBJECT PROPERTY: 1 Steuben Pl.

IN THE MATTER OF: A review of a Special Use Permit to allow for the establishment of a nightclub.

APPLICANT: John DeJohn

ADDRESS: 5 Aysa Lynne Ct., Latham, NY 12110

CASE NUMBER: 2-09, 1671

DATE OF REVIEW: 12/22/10

DATE OF ORIGINAL DECISION: 4/15/09

WARD: 3

DATE OF DECISION: 1/26/11

N.A.: N/A

DECISION: Approved w/Conditions

HISTORIC/ SPECIAL DISTRICT(S): Downtown Albany Historic District; Downtown Albany Business Improvement District

RECEIVED
2011 FEB -4 PM 12:46
OFFICE OF THE CITY CLERK
ALBANY, N.Y.

The request is Approved, by the following vote:

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

Site Description

The site in question is located on northwest corner of South Pearl Street and Steuben Place in a C-3 Central Business zoning district, the Downtown Albany Business Improvement District and the Downtown Albany Historic District. The property is improved with a 4.5-story, 60,576 square foot commercial retail / office building.

Relevant Considerations

Details of the original case file are as follows:

The applicant is proposing to reopen 1 Steuben Place as a restaurant, pub and nighttime entertainment destination, fitting the zoning classification of "NIGHTCLUB" and requiring a Special Use Permit in this C-3 Central Business district. The proposed nightclub is described as a Manhattan-style pub and bistro that will be home to a new entertainment complex featuring live entertainment, dancing and social networking events. The establishment further aspires to be, "the new home for many of Albany's charitable and social organizations."

The establishment will operate from 11AM to 4AM daily. The applicant anticipates between 50 and 300 patrons per day being served by approximately 30 full- and part-time employees. Maximum occupancy for the establishment is approximately 350 persons. The establishment will have one main entrance as well as three (3) secondary entrances and will occupy the first two (2) floors of the building.

In its determination the Board stated:

The proposed use is a permitted Special Use within the C-3 zoning district. The proposed use will be amongst a number of like uses located within this particular area of the downtown C-3 district.

Concern was raised about the proliferation of such nightclub operations in this particular area, but the applicant put forth a convincing argument that the proposed establishment would seek to fulfill a specific niche market that was not present at a majority of adjacent establishments. In addition, the Board took into account the size, layout and previous use of the space and felt that the proposed use was one of the more compatible and appropriate uses permissible at this location. The Board does not foresee any undue adverse impacts upon adjacent properties resulting from the proposed establishment, but in respect to such concerns has conditioned a one-year review on this approval, at which time any such concerns will be reheard and revisited. The facility will be adequately served by essential public facilities and services.

Findings

The Board finds that the use is operating in consistency with the approved Special Use Permit. However, the Board will continue to review the use on a periodic basis, with a subsequent review to take place one year from this date of approval.

The Board finds that the special use is in accordance with the following standards set forth in §375-27(B)(1):

- a. Is as a permitted special use in the appropriate zoning district, as determined by the administrator.
- b. Will conform to the standards and conditions specified in §375 for that use.
- c. Will not have an undue adverse affect upon adjacent property, the character of the neighborhood and surrounding areas, traffic conditions, parking, utility facilities or other matters affecting the public health, safety, welfare or convenience.
- d. Operations in connection with the proposed use will not be more objectionable to nearby properties by reason of noise, fumes, vibration, illumination, etc., than the operations of any permitted use not requiring a special use permit.
- e. Will be served adequately by essential public facilities and services such as highways, streets, parking spaces, police and fire protection, drainage structures, refuse disposal, water and sewer and schools; or that the persons or agencies responsible for the establishment of the proposed use will provide adequately for such additional services as the board deems appropriate.
- f. Complies with all additional requirements imposed on it by the provisions of §375.
- g. Will be in harmony with the applicable zoning district and will not adversely affect the neighborhood and the surrounding areas.

CONDITIONS

- The applicant shall return to the Board for evaluation and review one year from the date of this approval.
- There applicant agrees that there shall be no admittance of persons under the age of 21 after 11PM, daily.
- The applicant shall not make any material change to the appearance of elements of the property visible from a public street or alley, including the provision of signage, without obtaining a Certificate of Appropriateness from the Historic Resources Commission.

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

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on January 26, 2011.

Signed: _____

G. Michael Apostol

Date: 1/26/11

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

Received:

May 2 2011 04:25pm

FROM :

FOX NO. 1
FROM: C DEVELOPMENT INC FAX: 518-687-7300

MAY 02 2011 04:03PM P2
MAY 2 2011 04:03PM P2

3

HISTORIC REDEVELOPMENT ASSOCIATES

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 2, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207


Re: 74-76 North Pearl Street, Albany NY (the "Premises")

Dear Mr. Yevoli:

This letter is intended to evidence consent of the individual members of Historic Redevelopment Associates, the general partner of the ownership entity for the Premises, Kenmore Partners, L.L.C., more specifically Herbert Ellis, Larry Cassabonne, Garry Kearns, The Tyler Uccellini Irrevocable Trust and The Jessica Uccellini Irrevocable Trust (collectively, "the Members") to the long-term lease of the Premises at a necessary rent rate to Albany CBD Revitalization LLC, a New York limited liability company having an office at P.O. Box 648, Cohoes, New York 12047.

This consent is given in order to effectuate the redevelopment of the Premises. Such consent is contingent on (i) the delivery of New Markets Tax Credit financing for the Premises and (ii) a tax exemption for the Premises to be provided by the City of Albany Industrial Development Agency.

This letter may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.



By: Herbert Ellis



By: Larry Cassabonne

HISTORIC REDEVELOPMENT ASSOCIATES

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 4, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

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Dear Mr. Yevoli:

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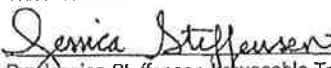
This letter may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

By: Herbert S. Ellis

By: Larry Casabonne

By: Garry J. Kearns

By: Tyler Uccellini Irrevocable Trust
Name: Tyler R. Uccellini
Title: Trustee


By: Jessica Steffensen Irrevocable Trust
Name: Jessica F. Steffensen
Title: Trustee

HISTORIC REDEVELOPMENT ASSOCIATES

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 2, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

Re: 74-76 North Pearl Street, Albany NY (the "Premises")

Dear Mr. Yevoli:

This letter is intended to evidence consent of the individual members of Historic Redevelopment Associates, the general partner of the ownership entity for the Premises, Kenmore Partners, LLC, more specifically Herbert Ellis, Larry Cassabonne, Garry Kearns, The Tyler Uccellini Irrevocable Trust and The Jessica Uccellini Irrevocable Trust (collectively, "the Members") to the long-term lease of the Premises at a necessary rent rate to Albany CBD Revitalization LLC, a New York limited liability company having an office at P.O. Box 648, Cohoes, New York 12047.

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Name: Tyler R. Uccellini
Title: Trustee

By: Jessica Uccellini Irrevocable Trust
Name: Jessica F. Uccellini
Title: Trustee

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Albany, New York 12207

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By: Tyler Uccellini Irrevocable Trust
Name: Tyler R. Uccellini
Title: Trustee

By: Jessica Uccellini Irrevocable Trust
Name: Jessica F. Uccellini
Title: Trustee

Received:

May 2 2011 04:24pm

FROM :

FAX NO. :
HUNTER, N. DEVELOPMENT INC. FAX: 518-630-0714

May. 02 2011 04:03AM P1
#27 2 20 1 04:04PM P010/011

UNION ASSOCIATES, LLC

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 2, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

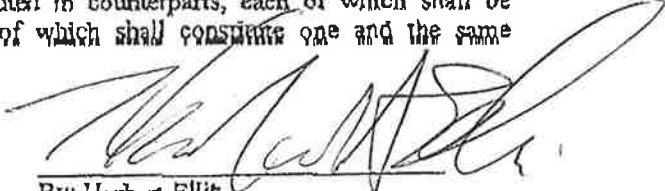
Re: 16 Sheridan Avenue, Albany NY (the "Premises")

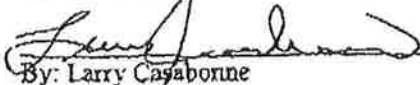
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By: Herbert Ellis


By: Larry Cassabonne

UNION ASSOCIATES, LLC

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 2, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

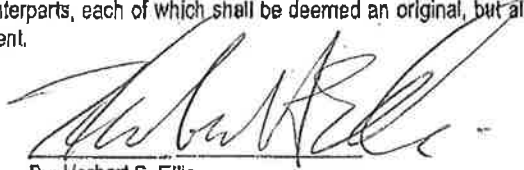
Re: 16 Sheridan Avenue, Albany NY (the "Premises")

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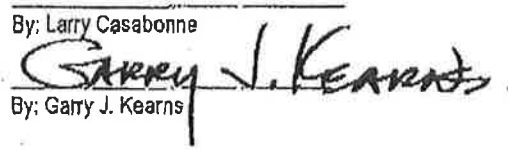
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By: Garry J. Kearns

By: Tyler Uccellini Irrevocable Trust

Name: Tyler R. Uccellini

Title: Trustee

By: Jessica Uccellini Irrevocable Trust

Name: Jessica F. Uccellini

Title: Trustee

UNION ASSOCIATES, LLC

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 4, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

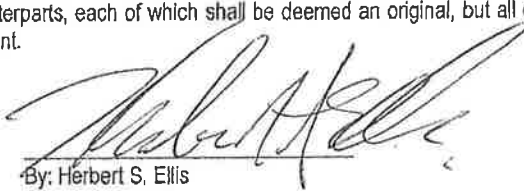
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By: Larry Casabonne

By: Garry J. Kearns

By: Tyler Uccellini Irrevocable Trust
Name: Tyler R. Uccellini
Title: Trustee



By: Jessica Steffensen Irrevocable Trust
Name: Jessica F. Steffensen
Title: Trustee

UNION ASSOCIATES, LLC

400 Jordan Road • Troy, New York 12180 • 518 • 687 • 7300

Fax: 518 • 687 • 7330

May 2, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

Re: 16 Sheridan Avenue, Albany NY (the "Premises")

Dear Mr. Yevoli:

This letter is intended to evidence consent of the individual members of the ownership entity for the Premises, Union Associates L.L.C., more specifically Herbert Ellis, Larry Cassabonne, Garry Kearns, The Tyler Uccellini Irrevocable Trust and The Jessica Uccellini Irrevocable Trust (collectively, "the Members"), to the long-term lease of the Premises at a necessary rent rate to Albany CBD Revitalization LLC, a New York limited liability company having an office at P.O. Box 648, Cohoes, New York 12047.

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By: Herbert S. Ellis

By: Larry Casabonne

By: Garry J. Kearns



By: Tyler Uccellini Irrevocable Trust
Name: Tyler R. Uccellini
Title: Trustee

By: Jessica Uccellini Irrevocable Trust
Name: Jessica F. Uccellini
Title: Trustee

STEUBEN PLACE PARTNERS

Post Office Box 648 • Cohoes, New York 12047 • 518 • 783 • 0038

Private fax: 518 • 783 • 0510

June 9, 2011

City of Albany Development and Planning
Attn: Michael Yevoli
21 Lodge Street
Albany, New York 12207

Re: One Steuben Place, Albany NY (the "Premises")

Dear Mr. Yevoli:

This letter is intended to evidence consent of Herbert Ellis, the general partner of the ownership entity for the Premises, Steuben Place Partners, L.P., to the long-term lease of the Premises at a necessary rent rate to Albany CBD Revitalization LLC, a New York limited liability company having an office at P.O. Box 648, Cohoes, New York 12047.

This consent is given in order to effectuate the redevelopment of the Premises. Such consent is contingent on (i) the delivery of Tax Credit financing for the Premises and (ii) a tax exemption for the Premises to be provided by the City of Albany Industrial Development Agency.

This letter may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

A handwritten signature in black ink, appearing to read "Herbert Ellis", is written over a horizontal line.

By: Herbert Ellis

Norman V. Nichols
Executive Vice President
KeyBank Real Estate Capital
66 South Pearl Street
Albany, NY 12207
Tel: 518-257-8576
Fax: 518-257-8572



June 10, 2011

Mr. Herb Ellis
Steuben Place Partners
One Steuben Place
Albany, NY 12207

Dear Herb:

We are in receipt of your package related to a financing request to renovate and convert to apartment use three buildings in Albany currently known as Steuben, Kenmore and 16 Sheridan.

Generally, we understand the scope of the project to be:

- The complete interior renovation of the Steuben, Kenmore and 16 Sheridan Avenue to produce approximately 180K sq ft of rentable upscale apartment space.
- Approximately 14K sq ft of commercial office space, store front retail and interior retail space will be prepared in the Kenmore building.
- The existing restaurant space (Pearl St. Pub) will continue to operate and be part of the collateral.
- The Steuben Athletic Club will continue to operate, be considered an integral amenity to the project, and enter into a lease with the subject project.

We have reviewed the package on a preliminary basis and had several discussions with you regarding the overall plan. Based on this, we are interested in continuing to evaluate playing a role in providing construction financing for the project. It is important to note that this is an expression of continuing interest, and in no way should be considered a commitment to lend. Any formal commitment will require significant additional due diligence and consideration of additional factors as plans for the project are finalized.

We understand that you will continue to pursue resolution on a number of issues including real estate tax abatements, historic tax credits, parking arrangements, final design, etc.

Please continue to share additional information as it becomes available so that we can update our analysis.

Thanks again,

A handwritten signature in dark ink, appearing to read "Norm Nichols", with a long, sweeping horizontal line extending to the right.

Norm Nichols

enc.

PRO FORMA - STEUBEN, KENMORE AND TIMES UNION BUILDINGS

USES	Costs	QRE
<u>Project Cost - Hard Costs, A&E and contingency Included</u>	\$15,080,000	\$9,000,000

Project Cost - Soft Cost

Transaction - Legal	\$400,000	\$150,000.0
IDA Legal	\$20,000	\$10,000.0
IDA Administrative	\$180,000	\$180,000.0
Building Permit Fee	\$30,000	\$20,000
Financing Commitment Fees (1% of Construction Loan)	\$180,000	\$180,000
Accounting	\$35,000	\$12,500.0
Cost Certification	\$30,000	\$20,000
Title Premiums/ Recording Costs (assume IDA exemption)	\$77,000	\$52,000
Appraisal	\$15,000	\$15,000
Marketing/ Advertising	\$60,000	
Environmental Costs (phase I, etc)	\$25,000	\$18,750.00
Construction Interest	\$1,237,500	\$553,920.76

Working Capital / Soft Cost Contingency / Lease-up Reserve	\$600,000	
		\$10,212,171
	\$17,969,500	
Development Fee	\$3,422,212	\$2,042,434

TOTAL COST: \$21,391,712 \$12,254,605

Acquisition

Acquisition of existing structures	\$8,100,000
------------------------------------	-------------

TOTAL COST: \$29,491,712

SOURCES

Tax Credit Calculation

FITC QRE x .95 x .2 (20%) =	\$2,328,374.93
SHTC QRE x .55 x .2 =	\$1,348,006.54
TOTAL TAX CREDIT Equity:	\$3,676,381.47

Construction/ Permanent Debt

Loan 6%, 30 year Amort 6 year Balloon

\$18,000,000

Deferred Developer Fee

\$3,422,212

Equity

Tax Credit Equity

\$3,676,381

Plug Owner Equity

\$4,393,119

Total Sources (No Plug Equity) \$25,098,593

TOTAL SOURCES (With Plug Equity) \$29,491,712

ASSUMPTIONS:		
Loan		\$18,000,000
Interest Rate		6%
Loan Interest (18 Months)		\$1,237,500
Units	169	
LTV Analysis	NOI Value	Loan % of Value
\$1.30, 6% CR	\$25,789,760	69.80%
\$1.35, 6% CR	\$27,440,400	65.60%
\$1.40, 6% CR	\$29,091,039	61.87%

PRO FORMA - STEUBEN, KENMORE AND TIMES UNION BUILDINGS

OPERATING PRO-FORMA

DEBT SERVICE	
\$18,000,000 /6 Year Balloon, 30 year Amort at 6%	\$1,295,029
<u>Operating Expenses - No Real Estate Taxes</u>	
Management Fee	\$120,000
*Project General Manager -	\$59,000
*Building Superintendent - \$45,000 x 1.18	\$59,000
Three (3) Maintenance Tech. @ 90000 x 1.18	\$106,200
Misc. Expenses (\$500/ Unit)	\$84,500
Use Club Office for Phone / Secretary	-
Staff Salaries (includes payroll tax):	\$428,700
*Also on site leasing personnel and part time super	
<u>Administrative Expense</u>	
Advertising / Marketing	\$80,000
Office Supplies	\$4,500
Phone IT	\$5,400
Miscellaneous	\$20,000
Total Administrative Expenses:	\$109,900
<u>Replacement Reserves @ \$700/Apt. x 169 (required escrow by lender)</u>	\$118,300
<u>Utilities</u>	
Common Gas + Electric	\$75,000
(All tenants pay own gas and electric bills)	
<u>Security - Safety</u>	
Video Entrance/Exit Control Monitor	\$50,000
<u>General Insurance</u>	
Property / Liability	\$125,000
Kennedy Garage (operating expenses, no taxes included)	\$119,692
Preferred Return (2% of Federal HTC Equity)	\$46,567
Health Club Membership -169 x 75 x 12	\$152,100
Operating Expenses:	\$1,225,259
10 % contingency	\$122,526
Total Operating Expenses:	\$1,347,785

PRO FORMA - STEUBEN, KENMORE AND TIMES UNION BUILDINGS

<u>INCOME EXPECTED CASE:</u>	\$1.20 sf	\$1.25 sf	\$1.30 sf	\$1.35sf	\$1.40sf
Project rentals @ \$1.25/\$1.35/\$1.45 sf gross Apt. space					
<u>Projected Income</u>					
Steuben 35,512 rentable square feet x sq. ft. x 12 x .935 (6.5% vacancy)	\$478,134	\$498,056	\$517,978	\$537,900	\$557,822
Kenmore 47,866 rentable square feet x sq. ft. x 12 x .935 (6.5% vacancy)	\$644,468	\$671,321	\$698,173	\$725,026	\$751,879
Times Union 93,161 rentable square feet x sq. ft. x 12 x .935 (6.5% vacancy)	\$1,254,320	\$1,306,583	\$1,358,846	\$1,411,110	\$1,463,373
Mix use income - Steuben and Kenmore	\$320,173	\$320,173	\$320,173	\$320,173	\$320,173
Total Income	\$2,697,094	\$2,796,133	\$2,895,171	\$2,994,209	\$3,093,248
<u>Commercial Income Assumptions</u>					
Pearl Street Pub. 12 x \$5,000 = \$96,000	\$96,000				
Steuben Athletic Club. 12 x \$10,000 = \$120,000	\$120,000				
Kenmore Store front / offices - 13,707 @ \$8/sf (5% Vacancy) = \$104,173	\$104,173				
<u>Projected Expenses:</u>	\$1,347,785	\$1,347,785	\$1,347,785	\$1,347,785	\$1,347,785
Net Income Before Debt Service	\$1,349,309	\$1,448,347	\$1,547,386	\$1,646,424	\$1,745,462
Total Debt Service	\$1,295,029	\$1,295,029	\$1,295,029	\$1,295,029	\$1,295,029
<u>Projected CFAFDS</u>	\$54,280	\$153,318	\$252,356	\$351,395	\$450,433
DSC	1.04	1.12	1.19	1.27	1.35
Cash Flow Available for Distribution	\$54,280	\$153,318	\$252,356	\$351,395	\$450,433
<u>Real Property Tax Analysis</u>					
<u>Add in Taxes as Granted in Certiorari</u>	-\$343,100	-\$343,100	-\$343,100	-\$343,100	-\$343,100
TU = \$2.75M, Ken = \$2.6M, Ste = \$1.95M					
<u>Available for Debt Service</u>	\$1,006,209	\$1,105,247	\$1,204,286	\$1,303,324	\$1,402,362
DSC	0.777	0.853	0.930	1.006	1.083

Extended Operating Forecast

	Year 1	2	3	4	5	6	7
color for line items for \$1.20 per Sq. Ft.	\$2,697,094	2,751,036	2,806,057	2,862,178	2,919,422	2,977,810	3,037,366
color for line items for \$1.25 per Sq. Ft.	\$2,796,133	2,852,055	2,909,096	2,967,278	3,026,624	3,087,156	3,148,900
color for line items for \$1.30 per Sq. Ft.	\$2,895,171	2,953,074	3,012,136	3,072,379	3,133,826	3,196,503	3,260,433
color for line items for \$1.35 per Sq. Ft.	\$2,994,209	3,054,094	3,115,175	3,177,479	3,241,029	3,305,849	3,371,966
color for line items for \$1.40 per Sq. Ft.	\$3,093,248	3,155,113	3,218,215	3,282,579	3,348,231	3,415,196	3,483,499
Gross Rents (\$1.20 sq. ft.) Increasing by 2% (w/ vac)							
Gross Rents (\$1.25 sq. ft.) Increasing by 2% (w/ vac)							
Gross Rents (\$1.30 sq. ft.) Increasing by 2% (w/ vac)							
Gross Rents (\$1.35 sq. ft.) Increasing by 2% (w/ vac)							
Gross Rents (\$1.40 sq. ft.) Increasing by 2% (w/ vac)							
Operating Expenses (3% increase per year)	\$1,347,785	1,388,219	1,429,866	1,472,762	1,516,944	1,562,453	1,609,326
PILOT Payments (15 year full exemption 25% increase for 4 yrs)	\$0	0	0	0	0	0	0
NOI (\$1.20 sq. ft.)	\$1,349,309	\$1,362,817	\$1,376,191	\$1,389,416	\$1,402,477	\$1,415,357	\$1,428,040
NOI (\$1.25 sq. ft.)	\$1,448,347	\$1,463,836	\$1,479,231	\$1,494,517	\$1,509,680	\$1,524,704	\$1,539,573
NOI (\$1.30 sq. ft.)	\$1,547,386	\$1,564,855	\$1,582,270	\$1,599,617	\$1,616,882	\$1,634,050	\$1,651,107
NOI (\$1.35 sq. ft.)	\$1,646,424	\$1,665,875	\$1,685,310	\$1,704,717	\$1,724,084	\$1,743,396	\$1,762,640
NOI (\$1.40 sq. ft.)	\$1,745,462	\$1,766,894	\$1,788,349	\$1,809,818	\$1,831,287	\$1,852,743	\$1,874,173
Debt Service, 30 year Amort, 6 year Balloon, 6%	\$1,295,029	1,295,029	1,295,029	1,295,029	1,295,029	1,295,029	1,183,630
Cash Flow After Debt Service (\$1.20 Sq. Ft)	\$54,280	\$67,788	\$81,162	\$94,387	\$107,448	\$120,328	\$244,410
Cash Flow After Debt Service (\$1.25 Sq. Ft)	\$153,318	\$168,807	\$184,202	\$199,488	\$214,650	\$229,675	\$355,943
Cash Flow After Debt Service (\$1.30 Sq. Ft)	\$252,356	\$269,826	\$287,241	\$304,588	\$321,853	\$339,021	\$467,476
Cash Flow After Debt Service (\$1.35 Sq. Ft)	\$351,395	\$370,845	\$390,281	\$409,688	\$429,055	\$448,367	\$579,010
Cash Flow After Debt Service (\$1.40 Sq. Ft)	\$450,433	\$471,865	\$493,320	\$514,789	\$536,257	\$557,714	\$690,543
Debt Service Coverage Ratio (\$1.20Sq. Ft)	1.04	1.05	1.06	1.07	1.08	1.09	1.21
Debt Service Coverage Ratio (\$1.25Sq. Ft)	1.12	1.13	1.14	1.15	1.17	1.18	1.30
Debt Service Coverage Ratio (\$1.30 Sq. Ft)	1.19	1.21	1.22	1.24	1.25	1.26	1.39
Debt Service Coverage Ratio (\$1.35 Sq. Ft)	1.27	1.29	1.30	1.32	1.33	1.35	1.49
Debt Service Coverage Ratio (\$1.40 Sq. Ft)	1.35	1.36	1.38	1.40	1.41	1.43	1.58
Payment of Deferred Developer Fee (\$1.40Sq. Ft)	\$450,433	\$471,865	\$493,320	\$514,789	\$536,257	\$557,714	\$397,834
Balance on Deferred Developer Fee	\$2,971,779	\$2,499,914	\$2,006,594	\$1,491,805	\$955,548	\$397,834	\$0
Cash Flow Available for Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$292,709
15% of Deferred Fee or Distribution to IDA for IDA Loan Repayment	\$67,565	\$70,780	\$73,998	\$77,218	\$80,439	\$83,657	\$103,581
Balance of IDA Loans (beginning balance \$2,342,408 equals sum of \$1,542,497 to CAIDA paid first and \$799,911 to the ALDC paid second)	\$2,274,843	\$2,204,063	\$2,130,065	\$2,052,847	\$1,972,408	\$1,888,751	\$1,785,170
Debt Service Coverage Ratio with Certiorari Taxes Paid (\$1.20Sq. Ft)	0.78	0.79	0.80	0.81	0.82	0.83	0.84
Debt Service Coverage Ratio with Certiorari Taxes Paid (\$1.25Sq. Ft)	0.85	0.87	0.88	0.89	0.90	0.91	1.01
Debt Service Coverage Ratio with Certiorari Taxes Paid (\$1.30 Sq. Ft)	0.93	0.94	0.96	0.97	0.98	1.00	1.11
Debt Service Coverage Ratio with Certiorari Taxes Paid (\$1.35 Sq. Ft)	1.01	1.02	1.04	1.05	1.07	1.08	1.20
Debt Service Coverage Ratio with Certiorari Taxes Paid (\$1.40 Sq. Ft)	1.08	1.10	1.12	1.13	1.15	1.17	1.29

5/27/11

8	9	10	11	12	13	14	15	16	17	18	19
3,098,114	3,160,076	3,223,217	3,287,743	3,353,498	3,420,568	3,488,979	3,556,759	3,629,934	3,702,532	3,776,583	3,852,115
3,211,878	3,276,115	3,341,637	3,408,470	3,476,640	3,546,172	3,617,096	3,689,438	3,763,226	3,838,491	3,915,261	3,993,566
3,325,641	3,392,154	3,459,997	3,529,197	3,598,781	3,671,777	3,745,212	3,820,117	3,896,519	3,974,449	4,053,938	4,135,017
3,439,405	3,508,194	3,578,357	3,649,925	3,722,923	3,797,382	3,873,329	3,950,796	4,029,812	4,110,408	4,192,616	4,276,488
3,553,169	3,624,233	3,696,717	3,770,652	3,846,065	3,922,986	4,001,446	4,081,475	4,163,104	4,246,366	4,331,294	4,417,920
1,657,606	1,707,334	1,758,554	1,811,311	1,865,650	1,921,620	1,979,268	2,038,646	2,099,806	2,162,800	2,227,684	2,294,515
0	0	0	0	0	0	0	0	203,275	406,550	609,825	813,100
\$1,440,507	\$1,452,742	\$1,464,723	\$1,476,432	\$1,487,847	\$1,498,948	\$1,509,711	\$1,520,112	\$1,532,853	\$1,543,183	\$939,074	\$744,500
\$1,554,271	\$1,568,781	\$1,583,083	\$1,597,159	\$1,610,989	\$1,624,553	\$1,637,827	\$1,650,791	\$1,460,146	\$1,269,141	\$1,077,752	\$885,951
\$1,668,035	\$1,684,820	\$1,701,443	\$1,717,886	\$1,734,131	\$1,750,157	\$1,765,944	\$1,781,470	\$1,593,438	\$1,405,099	\$1,216,429	\$1,027,403
\$1,781,799	\$1,800,859	\$1,819,803	\$1,838,614	\$1,857,273	\$1,875,762	\$1,894,061	\$1,912,149	\$1,726,731	\$1,541,058	\$1,355,107	\$1,168,854
\$1,895,563	\$1,916,899	\$1,938,163	\$1,959,341	\$1,980,415	\$2,001,366	\$2,022,178	\$2,042,828	\$1,860,023	\$1,677,016	\$1,493,785	\$1,310,305
1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630	1,183,630
\$256,877	\$269,111	\$281,093	\$292,802	\$304,217	\$315,318	\$326,081	\$336,482	\$143,223	\$50,448	\$244,556	\$439,130
\$370,641	\$385,151	\$399,453	\$413,529	\$427,359	\$440,922	\$454,197	\$467,161	\$276,516	\$85,511	\$105,878	\$297,679
\$484,405	\$501,190	\$517,813	\$534,256	\$550,501	\$566,527	\$582,314	\$597,840	\$409,808	\$221,469	\$32,799	\$156,227
\$598,169	\$617,229	\$636,173	\$654,984	\$673,643	\$692,132	\$710,431	\$728,519	\$543,101	\$357,428	\$171,477	\$14,776
\$711,933	\$733,268	\$754,533	\$775,711	\$796,784	\$817,736	\$838,547	\$859,198	\$676,393	\$493,386	\$310,155	\$126,675
1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.28	1.12	0.96	0.79	0.63
1.31	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.23	1.07	0.91	0.75
1.41	1.42	1.44	1.45	1.47	1.48	1.49	1.51	1.35	1.19	1.03	0.87
1.51	1.52	1.54	1.55	1.57	1.58	1.60	1.62	1.46	1.30	1.14	0.99
1.60	1.62	1.64	1.66	1.67	1.69	1.71	1.73	1.57	1.42	1.26	1.11
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$711,933	\$733,268	\$754,533	\$775,711	\$796,784	\$817,736	\$838,547	\$859,198	\$676,393	\$493,386	\$310,155	\$126,675
\$106,790	\$109,990	\$113,180	\$116,357	\$119,518	\$122,660	\$125,782	\$128,880	\$101,459	\$74,008	\$46,523	\$19,001
\$1,678,380	\$1,568,390	\$1,455,210	\$1,338,853	\$1,219,335	\$1,096,675	\$970,893	\$842,013	\$740,554	\$666,546	\$620,023	\$601,022
0.85	0.86	0.87	0.88	0.88	0.89	0.90	0.91	0.76	0.61	0.46	0.31
1.02	1.04	1.05	1.06	1.07	1.08	1.09	1.10	0.94	0.78	0.62	0.46
1.12	1.13	1.15	1.16	1.18	1.19	1.20	1.22	1.06	0.90	0.74	0.58
1.22	1.23	1.25	1.26	1.28	1.29	1.31	1.33	1.17	1.01	0.86	0.70
1.31	1.33	1.35	1.37	1.38	1.40	1.42	1.44	1.28	1.13	0.97	0.82

**PUBLIC HEARING RESOLUTION
DOWNTOWN ALBANY REVITALIZATION, 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 July 21, 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
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0711-__

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 DOWNTOWN ALBANY REVITALIZATION, LLC PROJECT.

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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 July, 2011, Herbert S. Ellis, on behalf of Downtown Albany Revitalization, LLC (a limited liability company to be formed) (the “Company”) presented an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at One Steuben Place, 74-76 North Pearl Street, and 16 Sheridan Avenue in the City of Albany, Albany County, New York containing in the aggregate approximately ____ acres (collectively, the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 284,000 square feet of space, such buildings commonly known as the Steuben Building, the former Kenmore Hotel building and the former Times Union building (collectively, the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential and commercial 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease 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	_____
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 July 21, 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 21st day of July, 2011.

(Assistant) Secretary

(SEAL)