

# Albany Industrial Development Agency

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

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

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

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

Date: December 13, 2013

## AGENDA

PLEASE NOTE THAT PUBLIC HEARINGS CONCERNING THE FOLLOWING PROJECTS WILL BE HELD AT 11:30am ON  
Thursday, December 19th, 2013 at 200 Henry Johnson Blvd, Albany, NY 12207

412 Broadway Realty LLC  
40 Steuben LLC  
Park South Partners LLC, Albany Medical Center - 391 Myrtle Avenue (MOB)

The regular meeting of the City of Albany Industrial Development Agency will be held on **December 19<sup>th</sup>, 2013 at 12:15PM** at the 200 Henry Johnson Blvd, Albany, NY 12207 (Conference Room).

### Roll Call

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

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

### Reports of Committees

### Report of Chief Executive Officer

### Report of Chief Financial Officer

- Financial Report

### Communications

### Unfinished Business

- 488 Broadway Arcade LLC Project Synopsis
- 488 Broadway Arcade LLC Project Resolution Confirming SEQR Determination
- 488 Broadway Arcade LLC Project Commercial Findings Resolution
- 488 Broadway Arcade LLC Project PILOT Deviation Approval Resolution
- 488 Broadway Arcade LLC Project Approval Resolution
- 412 Broadway Realty, LLC Project Synopsis
- 412 Broadway Realty, LLC Project Resolution Confirming SEQR Determination
- 412 Broadway Realty, LLC Project Commercial Findings Resolution
- 412 Broadway Realty, LLC Project PILOT Deviation Approval Resolution
- 412 Broadway Realty, LLC Project Approval Resolution

### New Business

- Election of Vice Chairman Approval Resolution
- Selection of Accountants 2013 Approval Resolution
- Sixty State Place, LLC Project Resolution Authorizing Additional Financing
- New Covenant Charter School Project Resolution Approving Termination/Conveyance Documents

### Other Business

- True North Albany Extended Stay LLC

### Adjournment

\* The next regularly scheduled meeting is Thursday, January 16th, 2013 at 21 Lodge Street, Albany, NY 12207

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John Reilly, *Agency Counsel*

## IDA MINUTES OF REGULAR MEETING Thursday, November 21, 2013

Attending: Kathy Sheehan, Susan Pedo, C. Anthony Owens, Tracy Metzger and Lee Eck

Absent: Anthony J. Ferrara and Martin Daley

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

Acting Chairperson Kathy Sheehan called the regular meeting of the IDA to order at 12:17 PM.

### Roll Call

Acting Chairperson Kathy Sheehan reported that all Board members were present with the exception of Anthony Ferrara and Martin Daley.

### Reading of Minutes of the Regular Meeting of October 17, 2013

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

### Approval of Minutes of the Regular Meeting of October 17, 2013

Acting Chairperson Kathy Sheehan made a proposal to approve the minutes of the regular Board meeting of October 17, 2013 as presented. A motion to accept the minutes, as presented, was made by Tracy Metzger and seconded by Lee Eck. A vote being taken, the minutes were accepted unanimously.

### Reports of Committees

None

### Report of Chief Executive Officer

None

### Report of Chief Financial Officer

Erik Smith reviewed the monthly financial report with the Board. Mr. Smith reviewed year-to-date and projected cash inflows and outlays. Mr. Smith advised the Board that the expenditure activity through October 31st is consistent with the IDA's budget. At this time the IDA's projected year-end cash balance is \$1,058,016.

## Communications

None

## Unfinished Business

### Amendment to PILOT Agreement Columbia 677, LLC Project Resolution

Counsel reviewed the dispute between Columbia 677, LLC and the Industrial Development Agency as outlined in the Resolution distributed to the Board prior to the meeting. Counsel reviewed the restructured PILOT with the Board.

Acting Chairperson Kathy Sheehan presented the Amendment to PILOT Agreement Columbia 677, LLC Project Resolution to the Board. A motion to adopt the Resolution was made by Anthony Owens and seconded by Tracy Metzger. A vote being taken, the Resolution passed unanimously.

## New Business

### 412 Broadway Realty, LLC Project Public Hearing Resolution

Staff briefly reviewed the resolution with the Board noting that the project had been discussed in great detail at the most recent Finance Committee meeting.

Acting Chairperson Kathy Sheehan presented the 412 Broadway Realty, LLC Project Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously.

### 40 Steuben LLC Project Public Hearing Resolution

Staff briefly reviewed the resolution with the Board noting that the project had been discussed in great detail at the most recent Finance Committee meeting.

Acting Chairperson Kathy Sheehan presented the 40 Steuben LLC Project Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Tracy Metzger and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously.

### Albany Medical Center Project Public Hearing Resolution

Staff briefly reviewed the resolution with the Board noting that the project had been discussed in great detail at the most recent Finance Committee meeting.

Acting Chairperson Kathy Sheehan presented the Albany Medical Center Project Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Tracy Metzger and seconded by Lee Eck. A vote being taken, the Resolution passed unanimously.

### Park South Partners LLC Project Public Hearing Resolution

Staff reviewed the resolution with the Board noting that the project had been discussed in great detail at the most recent Finance Committee meeting.

Acting Chairperson Kathy Sheehan presented the Park South Partners LLC Project Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Lee Eck and seconded by Tracy Metzger. A vote being taken, the Resolution passed unanimously.

Columbia Harriman 455 LLC Project Authorizing Additional Financing Resolution

Counsel reviewed the project with the Board. Counsel advised the Board that the Applicant is seeking additional funding from their lender and that this is an administrative matter for the Agency. The Applicant is seeking no additional benefits from the Agency.

Acting Chairperson Kathy Sheehan presented the Columbia Harriman 455 LLC Project Authorizing Additional Financing Resolution to the Board. A motion to adopt the Resolution was made by Anthony Owens and seconded by Tracy Metzger. A vote being taken, the Resolution passed unanimously.

Sixty State Place, LLC Project Sales Tax Letter Extension Resolution

Staff reviewed the project with the Board. Staff advised the Board that asbestos abatement has delayed the completion of the project. The Applicant is seeking a revised sales tax letter which reflects an extended completion date for the Project. Staff advised the Board that this is the Applicant's first request for an extension of this benefit.

Acting Chairperson Kathy Sheehan presented the Sixty State Place, LLC Project Sales Tax Letter Extension Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Anthony Owens. A vote being taken, the Resolution passed unanimously.

TMG-NY Albany I, LP Project Updated Bond Resolution

Counsel reviewed the resolution with the Board.

Acting Chairperson Kathy Sheehan presented the TMG-NY Albany I, LP Project Updated Bond Resolution to the Board. A motion to adopt the Resolution was made by Tracy Metzger and seconded by Anthony Owens. A vote being taken, the Resolution passed unanimously.

**Other Business**

Kathy Sheehan reported that she will be resigning as of December 31<sup>st</sup>, 2013.

**Executive Session**

There being no further business, Acting Chairperson Kathy Sheehan adjourned the meeting at 12:45PM.

Respectfully submitted,

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(Assistant) Secretary

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

	<b>ACTUAL</b>											<b>PROJECTED</b>	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
<b>Beginning Balance</b>	\$ 743,791	\$ 733,351	\$ 827,405	\$ 1,251,055	\$ 1,102,214	\$ 1,121,881	\$ 1,016,276	\$ 973,318	\$ 963,067	\$ 898,465	\$ 901,142	\$ 862,548	\$ 743,791
<b>Revenue</b>													
<b>Fee Revenue</b>													
Application Fee	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 3,000	\$ 10,500	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ 21,000
Agency Fee	-	92,478	430,400	-	19,445	-	-	-	-	-	-	289,000	831,323
Administrative Fee	-	4,000	-	-	500	-	-	-	18,888	-	-	-	23,388
Modification Fee	500	500	-	-	-	500	-	-	-	-	-	-	1,500
<b>Subtotal - Fee Revenue</b>	<u>\$ 500</u>	<u>\$ 96,978</u>	<u>\$ 430,400</u>	<u>\$ 1,500</u>	<u>\$ 19,945</u>	<u>\$ 500</u>	<u>\$ 3,000</u>	<u>\$ 10,500</u>	<u>\$ 18,888</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 289,000</u>	<u>\$ 877,211</u>
<b>Other Revenue</b>													
Project Benefit Agreement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Interest Income	66	61	100	94	95	89	85	83	80	76	73	72	973
CRC	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	18,086	-	-	-	-	-	-	-	-	-	-	18,086
<b>Subtotal - Other Revenue</b>	<u>\$ 66</u>	<u>\$ 118,147</u>	<u>\$ 100</u>	<u>\$ 94</u>	<u>\$ 95</u>	<u>\$ 89</u>	<u>\$ 85</u>	<u>\$ 83</u>	<u>\$ 80</u>	<u>\$ 76</u>	<u>\$ 73</u>	<u>\$ 72</u>	<u>\$ 119,059</u>
<b>Total - Revenue</b>	<u>\$ 566</u>	<u>\$ 215,125</u>	<u>\$ 430,500</u>	<u>\$ 1,594</u>	<u>\$ 20,040</u>	<u>\$ 589</u>	<u>\$ 3,085</u>	<u>\$ 10,583</u>	<u>\$ 18,968</u>	<u>\$ 3,076</u>	<u>\$ 3,073</u>	<u>\$ 289,072</u>	<u>\$ 996,269</u>
<b>Expenditures</b>													
Management Contract	\$ -	\$ -	\$ -	\$ 83,333	\$ -	\$ 41,667	\$ 20,833	\$ 20,833	\$ 20,833	\$ -	\$ 41,667	\$ 20,833	\$ 250,000
Downtown Tactical Plan	-	-	-	-	-	-	25,000	-	-	-	-	25,000	50,000
APA Contract	-	-	-	-	-	-	-	-	-	-	-	-	-
Audits	2,500	-	-	4,500	-	-	-	-	-	-	-	-	7,000
Agency Counsel	-	42,000	-	-	-	-	-	-	-	-	-	42,000	84,000
ED Support	-	62,500	-	62,500	-	62,500	-	-	62,500	-	-	62,500	312,500
Sub-lease AHCC	8,506	-	6,371	-	-	-	-	-	-	-	-	42,869	57,746
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	-	1,647	-	-	-	-	-	-	1,647
Misc.	-	160	479	102	373	380	209	-	238	399	-	400	2,739
Other Expenses	-	16,411	-	-	-	-	-	-	-	-	-	-	16,411
<b>Total - Expenditures</b>	<u>\$ 11,006</u>	<u>\$ 121,071</u>	<u>\$ 6,850</u>	<u>\$ 150,435</u>	<u>\$ 373</u>	<u>\$ 106,194</u>	<u>\$ 46,042</u>	<u>\$ 20,833</u>	<u>\$ 83,571</u>	<u>\$ 399</u>	<u>\$ 41,667</u>	<u>\$ 193,602</u>	<u>\$ 782,043</u>
<b>Ending Balance</b>	<u>\$ 733,351</u>	<u>\$ 827,405</u>	<u>\$ 1,251,055</u>	<u>\$ 1,102,214</u>	<u>\$ 1,121,881</u>	<u>\$ 1,016,276</u>	<u>\$ 973,318</u>	<u>\$ 963,067</u>	<u>\$ 898,465</u>	<u>\$ 901,142</u>	<u>\$ 862,548</u>	<u>\$ 958,018</u>	<u>\$ 958,018</u>

# City of Albany IDA

Fee Detail by Month

November 2013

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

# City of Albany IDA

Fee Detail by Month

November 2013

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	Columbia 425 NS, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	488 Broadway Arcade, LLC	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>August</i>	Scannell Properties #145, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	132 State Street Properties, LLC	1,500	-	-	-	1,500
	134 State Street Properties, LLC	1,500	-	-	-	-
	136 State Street Properties, LLC	1,500	-	-	-	-
	140 State Street Properties, LLC	1,500	-	-	-	-
	144 State Street, LLC	1,500	-	-	-	-
	Aeon Nexus Corporation	1,500	-	-	-	-
	<b>TOTAL</b>	<b>\$ 10,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500</b>
<i>September</i>	Scannell Properties #145, LLC	\$ -	\$ -	\$ 18,888	\$ -	\$ 18,888
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,888</b>	<b>\$ -</b>	<b>\$ 18,888</b>
<i>October</i>	391 Myrtle Avenue	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Park South Partners, LLC	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>November</i>	412 Broadway Realty, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Omni Development Company, Inc.	1,500	-	-	-	1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<i>December</i>	LV Apartments, LP	\$ -	\$ 289,000	\$ -	\$ -	\$ 289,000
		-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 289,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 289,000</b>
	<b>2012 TOTAL</b>	<b>\$ 21,000</b>	<b>\$ 831,323</b>	<b>\$ 23,388</b>	<b>\$ 1,500</b>	<b>\$ 877,211</b>
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
488 BROADWAY ARCADE, LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 488 Broadway Arcade, LLC, a New York limited liability company (the “Company”).
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 75,000 square feet (the “Facility”).
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”).
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes an “unlisted action” and (b) the issuance of a “negative declaration”.
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: June 20, 2013.
  - (D) Date of Agency Action: December 19, 2013.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on September 19, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: October 25, 2013.
    - (2) Date Posted: October 29, 2013 on a public bulletin board and November 4, 2013 on the Agency website.
    - (3) Published in the Albany Times Union: October 28, 2013.
    - (4) Date of Public Hearing: November 13, 2013.
    - (5) Location of Public Hearing: offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York.



### **III. PROPOSED AGENCY ACTION ON DECEMBER 19, 2013:**

5. SEQR Resolution: Confirming SEQR Resolution.
6. Commercial/Retail Findings Resolution: Determining Project is a “commercial project”. Retail – located in distressed area.
7. PILOT Deviation Resolution: See 11(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.
9. Mayor’s Approval: Anticipated – December, 2013.

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

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

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1 - 10	100%
11	85%
12	80%

The Company will pay in Years 13-20 **the greater of** (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$1,000,000) and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
13 - 20	75%
21 and thereafter	0%

**OR** 11.5% of gross rental revenue.

12. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.
  - (C) Bill of Sale to Agency.
  - (D) Lease Agreement by and between the Company and the Agency.
  - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
13. Proposed Closing Date: January/February, 2014.
14. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**RESOLUTION CONFIRMING SEQR DETERMINATION  
488 BROADWAY ARCADE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE CITY OF  
ALBANY PLANNING BOARD, AS LEAD AGENCY FOR A CERTAIN PROPOSED  
PROJECT FOR 488 BROADWAY ARCADE, LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting

Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 488 Broadway Arcade, LLC, a New York limited liability company (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 75,000 square feet (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted (1) on the City of Albany City Hall bulletin board located at 24 Eagle Street in the City of Albany, Albany County, New York on October 29, 2013, and (2) on the Agency website ([www.albanyida.com](http://www.albanyida.com)) on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the

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

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (1) the Planning Board of the City of Albany, New York (the “Planning Board”) was designated to act as “lead agency” with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on June 20, 2013 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, reconstruction, renovation and installation of the Project Facility will not have a “significant effect on the environment”; and

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

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

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

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

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

Section 4. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

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(Assistant) Secretary

(SEAL)

EXHIBIT A  
NEGATIVE DECLARATION



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

ADDRESS OF SUBJECT PROPERTY: 488 AKA 482-492 Broadway

IN THE MATTER OF: Site Plan Approval to allow the conversion of +/- 52,000 square feet of commercial floor space to residential use resulting in the creation of 68 dwelling units.

APPLICANT: Fairbank Properties c/o Hershberg & Hershberg  
ADDRESS: 18 Locust St., Albany, NY 12203

CASE NUMBER: 5-13, 875

Date Received: 5/8/13  
Presentation Dates: 5/16/13; 6/20/13  
SEQR Classification: Unlisted Action  
SEQR Determination: 6/20/13  
Date of Decision: 6/20/13

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

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**Relevant Considerations:**

**Owner:** 488 Broadway Arcade, LLC, PO Box 6515, Albany, NY 12206

**Applicant:** Fairbank Properties, PO Box 6515, Albany, NY 12206

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

**Parcel size:** 0.45 acres.

**Property Valuation:** \$1,891,800.

**Location:** The property is located on the southwest corner of Broadway and Pine Street.

**Zoning:** C-3 (Central Business). The proposed use is a principally permitted use within the applicable district.

**Surrounding Uses:** *North:* Maiden Lane Park. *West:* 12,753 sq. ft. office/retail building of 27 No. Pearl St. LLC; 47-unit rooming house operated by Catholic Charities (Waldorf Residence). *East:* James T. Foley Federal Courthouse; Dormitory Authority of NYS. *South:* Parking areas of B J Partners Group LLC and Joseph Torani.

**Proposed Project:** The site is improved with a five-story commercial building with several retail partitions on the ground level and vacant, former office space on the upper

level. The total floor area is 82,241 square feet. The applicant proposes to restore commercial/retail tenancy to the ground level and install a total of 68 apartment units on the upper four floors. Floors two through five would each be improved with ten one-bedroom and seven studio apartments.

**Parking & Traffic:** The building currently occupies one hundred percent of the site area. There is no ability to provide parking at the site in question and the applicant does not propose guaranteed parking at off-site locations. There is no parking requirement specified within the City Zoning Ordinance for Central Business zoning district, so this is not required of the developer. Standard traffic calculations indicate that 73 AM peak hour and 161 PM peak hour trips could be attributed to a full occupied building improved with the proposed uses.

**Transit:** The project is well served by transit services being located within Downtown Albany.

**Pedestrian Accessibility:** The building currently has excellent pedestrian access with an indoor arcade and nine exterior entrances along the three street facing side of the building.

**Water/Sewer:** An 11,176 GPD increase in water usage is anticipated as a result of the proposed change in use. The applicant believes that the existing water and sewer service connections will be sufficient to serve the use but this will not become explicitly clear until the completion of the mechanical and plumbing plans. A backflow prevention device will be installed.

**Storm Water:** There will be no increase in impervious surface area at the site.

**Archeology:** There will be no on-site disturbances as a result of the project.

**Landscaping/Fencing:** The building covers the entire site area leaving little room for the provision of landscaping.

**Lighting:** Exterior building lighting would be subject to review and approval by the Historic Resources Commission. Nothing objectionable to this Board is proposed.

**Solid Waste:** Solid waste will be stored within the building until picked up curbside by a private hauler.

**Signage:** Not detailed. Exterior signage would be subject to review and approval by the Historic Resources Commission.

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#### **Actions Taken:**

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

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

1. The applicant shall obtain final approval of the Department of Water & Water Supply.

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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 20, 2013.

Date: 6/20/13

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

*Edward R. Trant*

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

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

**COMMERCIAL/RETAIL FINDINGS RESOLUTION  
488 BROADWAY ARCADE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION (A) DETERMINING THAT THE PROPOSED 488 BROADWAY ARCADE, LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of

said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 488 Broadway Arcade, LLC, a New York limited liability company (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 75,000 square feet (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted (1) on the City of Albany City Hall bulletin board located at 24 Eagle Street in the City of Albany, Albany County, New York on October 29, 2013, and (2) on the Agency website ([www.albanyida.com](http://www.albanyida.com)) on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views

presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on December 19, 2013 (the "SEQR Resolution"), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the "Planning Board") to act as "lead agency" with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on June 20, 2013 (the "Negative Declaration"), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

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

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

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

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

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

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

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

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

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

- Provide and maintain intergenerational life cycle housing options
- Encourage mixed income housing options throughout the City of Albany
- Promote quality affordable housing

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

D. The Company has informed representatives of the Agency that the Project is expected to create approximately twenty (20) full time permanent, private sector jobs.

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

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

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

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

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

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

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

Section 3. Having reviewed the Public Hearing Report, and having considered fully all comments contained therein, and based upon the findings contained in Section 1 above, the Agency hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the

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

Section 4. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 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 19<sup>th</sup> day of December, 2013.

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(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
488 BROADWAY ARCADE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 488 BROADWAY ARCADE, LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the

“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 488 Broadway Arcade, LLC, a New York limited liability company (the “Company”), has presented an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the “Land”), together with the existing facility located thereon containing approximately 75,000 square feet (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on September 19, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the members of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted (1) on the City of Albany City Hall bulletin board located at 24 Eagle Street in the City of Albany, Albany County, New York on October 29, 2013, and (2) on the Agency website ([www.albanyida.com](http://www.albanyida.com)) on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o’clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing

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

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on December 19, 2013 (the "SEQR Resolution"), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the "Planning Board") to act as "lead agency" with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on June 20, 2013 (the "Negative Declaration"), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated December 9, 2013 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

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

WHEREAS, on December 9, 2013, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project; and

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

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

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

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

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

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

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

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

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

Section 5. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

---

(Assistant) Secretary

(SEAL)

**EXHIBIT A**  
**PILOT DEVIATION LETTER**  
**- SEE ATTACHED -**

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

December 9, 2013

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

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

Hon. Gerald D. Jennings, Mayor  
24 Eagle Street, Room 102  
Albany, New York 12207

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

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
488 Broadway Arcade, LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 488 Broadway Arcade, LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 75,000 square feet (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial

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Hon. Daniel P. McCoy  
Hon. Gerald D. Jennings  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
December 9, 2013  
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Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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

In connection with the Application, the Company has made a request to the Agency (the “PILOT Request”) that the Agency enter into a payment in lieu of tax agreement (the “Proposed PILOT Agreement”) which terms would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed PILOT Agreement would provide that the Company be granted a twenty year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$1,000,000), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1 - 10	100%
11	85%
12	80%
13 - 20	75%
21 and thereafter	0%

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for December 19, 2013 at 12:15 p.m., local time at the offices of the Agency located at the office of the Agency located at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York (the “Meeting”). As described later in this letter, during the meeting on December 19, 2013, the Agency will review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

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

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Hon. Gerald D. Jennings  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
December 9, 2013  
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The Agency considered the following factors in considering the proposed deviation:

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

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

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

The Project will create approximately 55 construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown housing, which is consistent with the downtown development plan of the City of Albany. New residents in the downtown area will provide economic growth for the business and entertainment facilities located in the downtown, and result in further residential development. Additional benefits created by the Project are described in the Application.

**4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** The Project will create construction jobs over the approximately two-year construction period generating a payroll of over \$1,750,000.

The Company has estimated that the Project will create approximately 8 full-time jobs by the end of the second year of operation, and a total of 20 jobs by the end of the fifth year of operation. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown..

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$269,000, sales and use tax; \$87,500, mortgage recording tax; and \$6,983,404, real property taxes.

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

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

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$10,000,000.

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

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

11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

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

13. **The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The benefit is a positive one economically, in that the Project will promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

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Hon. Gerald D. Jennings  
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Alexandra Streznewski, Board President  
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If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

**APPROVING RESOLUTION  
488 BROADWAY ARCADE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 488  
BROADWAY ARCADE, LLC (THE "COMPANY").**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting

Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 488 Broadway Arcade, LLC, a New York limited liability company (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately .44 acres and located at 482 Broadway (Tax Map # 76.42-2-1) in the City of Albany, Albany County, New York (the "Land"), together with the existing facility located thereon containing approximately 75,000 square feet (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a commercial/residential facility containing approximately 28 studio apartments, approximately 40 one bedroom residential apartments and approximately 12,000 square feet of rentable retail space and to be leased by the Company to various commercial and residential tenants and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on September 19, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the members of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on October 25, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted (1) on the City of Albany City Hall bulletin board located at 24 Eagle Street in the City of Albany, Albany County, New York on October 29, 2013, and (2) on the Agency website ([www.albanyida.com](http://www.albanyida.com)) on November 4, 2013, (C) caused notice of the Public Hearing to be published on October 28, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on November 13, 2013 at 11:30 o'clock a.m., local time at offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing

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

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on December 19, 2013 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on June 20, 2013 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, by further resolution adopted by the members of the Agency on December 19, 2013 (the “Commercial/Retail Finding Resolution”), the Agency (A) determined that the Project constituted a “commercial project” within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York, (D) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on December 19, 2013 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s Policy with respect to the Project; an

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

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

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

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

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

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

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

Section 3. The Agency hereby finds and determines that:

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

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

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



(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$10,000,000;

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

(F) Although the Project constitutes a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance with respect to the Project pursuant to Section 862(2)(a) of the Act because the Project is located in census tract 0007, which is considered to be a distressed census tract and therefore is in a highly distressed area;

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

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

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

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

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

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

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

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

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

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

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

Section 10. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

---

(Assistant) Secretary

(SEAL)

**TO:** City of Albany Industrial Development Board

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** 488 Broadway Arcade LLC – Revised Project Summary

**DATE:** December 13, 2013

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*Staff Notes:*

*This project summary is the result of the work staff performed per the direction of the Finance Committee at the September 11<sup>th</sup> meeting. As a result of the September 11<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 20 years and modified the percentage abatement amounts. Per the direction of the Finance Committee at the November 13<sup>th</sup> meeting, Staff sought to modify the revised PILOT request. The modified PILOT was discussed at the December 11<sup>th</sup> Finance Committee meeting and tweaked by the Committee. The result of this work can be found within the Project Summary below. A positive recommendation was given by the Committee at the December 11<sup>th</sup> meeting for project approvals. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 488 Broadway Arcade LLC

**Managing Members (% of Ownership):** David Sarraf (47.5%), Harris Sarraf (47.5%), and Yahya Sarraf (5%)

**Project Location:** 482 Broadway

**Project Description:** Proposed conversion of approximately 75,000 sq.ft. mixed-use retail and commercial office building into mixed-use retail and residential. The Applicant is proposing 68 residential rental units (floors 2 - 5) of which 28 will be studios and 40 will be one bedroom apartments. The residential units will be serviced by at least two elevators. Each residential unit will be finished with hardwood floors, granite/quartz countertops, high-end appliances and fixtures, and tiled bathrooms. The first floor will include 12,000 sq.ft. of rentable commercial space that could accommodate up three to ten potential retail tenants. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc. (which has begun).

**Estimated Project Cost:** \$10,000,000 (estimated amount spent to date \$397,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$3,362,500

**Estimated Total Mortgage Amount:** \$7,000,000

**Current Total Assessment:** \$1,000,000 (Based on estimated reduction in assessment)

**Estimated Improved Total Assessment:** \$7,300,000 (per Commissioner of Department of Assessment & Taxation)

**PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA. The PILOT will include two scenarios, Scenario #1 and Scenario #2.

- For Years 1-12, annual payments in lieu of taxes will be calculated by:
  - For Scenario #1 and Scenario #2, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$1,000,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- For Years 13-20, annual payments in lieu of taxes will be calculated by the greater of:
  - For Scenario #1, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$1,000,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
  - For Scenario #2, multiplying eleven and a half (11.5%) of gross rental revenue.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario: #1: \$2,399,665
  - Scenario: #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$269,000
- Mortgage Recording Taxes: \$87,500
- Real Property Taxes:
  - Scenario #1: \$7,042,178 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1
- Other: N/A

**Employment Impact:**

- Projected Permanent: (20) new jobs
- Projected Construction: (55) jobs

**Other Economic Impacts:**

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options

- Increases consumer base to support downtown businesses
- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
  - Provide a variety of housing types to meet the varied needs of Albany's households, including market, moderate and low income housing.
  - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
  - Eligible for the 485a Real Property Tax Abatement Program
  - Part of NYS Main Street Grant CFA application sponsored by Capitalize Albany Corporation

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 6/20/13.
- Approved the site plan on 6/20/13 with the following conditions:
  - The applicant shall obtain final approval of the Department of Water & Water Supply.

**Estimated IDA Fee**

- Fee amount: \$100,000

**Mission**

- The purpose of the Industrial Development Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities. The Agency aims to protect and promote the health of the inhabitants of the City of Albany by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial development.



**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
LEASE/LEASEBACK TRANSACTION  
412 BROADWAY REALTY, LLC PROJECT**

**I. PROJECT IDENTIFICATION:**

1. Project Applicant: 412 Broadway Realty, LLC, a New York limited liability company (the "Company").
2. The Project:
  - (A) Acquisition of Land: the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 36,000 square foot building located thereon (the "Facility").
  - (B) Reconstruction: the renovation and reconstruction of the Facility.
  - (C) Equipment component: the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility").
  - (D) Lease: The Project Facility will be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities.

**II. PRIOR ACTION ON PROJECT:**

3. (A) SEQR classification of the Project: confirming (a) the Planning Board determination that the Project constitutes an "unlisted action" and (b) the issuance of a "negative declaration".
  - (B) SEQR Lead Agency: Planning Board.
  - (C) Date of Lead Agency Action: November 21, 2013.
  - (D) Date of Agency Action: December 19, 2013.
4. Inducement Proceedings:
  - (A) Public Hearing Resolution: adopted on November 21, 2013.
  - (B) Public Hearing:
    - (1) Mailed to Affected Taxing Jurisdictions: December 4, 2013.
    - (2) Date Posted: December 4, 2013.
    - (3) Published in the Albany Times Union: December 7, 2013.
    - (4) Date of Public Hearing: December 19, 2013.
    - (5) Location of Public Hearing: at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York.

**III. PROPOSED AGENCY ACTION ON DECEMBER 19, 2013:**

5. SEQR Resolution: Confirming SEQR Resolution.



6. Commercial/Retail Findings Resolution: Determining Project is a “commercial project”. Retail – located in distressed area.
7. PILOT Deviation Resolution: See 11(B) below for specifics.
8. Approving Resolution: Approving the Project and the proposed financial assistance.
9. Mayor’s Approval: Anticipated – December, 2013.

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

10. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
11. Business Terms:
  - (A) The Agency fee is estimated to be \$30,320 (1% of the Project costs of \$3,032,000 (est.)).
  - (B) Pilot Terms: the Company will pay in Years 1-12 (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$788,632), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
1 - 8	100%
9	95%
10	85%
11 - 12	80%

The Company will pay in Years 13-20 **the greater of** (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$788,632) and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the “Improvements”), such increased amount to be adjusted by the abatement as described as follows:

<b>Years</b>	<b>Amount of Abatement on Increased Assessment</b>
13-20	80%
21 and thereafter	0%

**OR** 11.5% of gross project rental revenue.

12. Basic Documents:
  - (A) Underlying Lease from the Company to the Agency.
  - (B) License Agreement from the Company to the Agency.

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

13. Proposed Closing Date: January/February, 2014.

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

**RESOLUTION CONFIRMING SEQR DETERMINATION  
412 BROADWAY REALTY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE CITY OF  
ALBANY PLANNING BOARD, AS LEAD AGENCY FOR A CERTAIN PROPOSED  
PROJECT FOR 412 BROADWAY REALTY, 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 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, 412 Broadway Realty, LLC, a New York limited liability company (the "Company"), has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 36,000 square foot building located thereon (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on November 21, 2013 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on the City of Albany City Hall bulletin board located at 24 Eagle Street, in the City of Albany, Albany County, New York as well as on the Agency website ([www.albanyida.com](http://www.albanyida.com)), (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o'clock a.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (1) the Planning Board of the City of Albany, New York (the “Planning Board”) was designated to act as “lead agency” with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on November 21, 2013 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, reconstruction, renovation and installation of the Project Facility will not have a “significant effect on the environment”; and

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

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

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

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

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

Section 4. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

---

(Assistant) Secretary

(SEAL)

EXHIBIT A  
NEGATIVE DECLARATION

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

ADDRESS OF SUBJECT PROPERTY: 412 Broadway

IN THE MATTER OF: Site Plan Approval for the conversion of +/- 25,000 square feet of floor area on floors 2-5 to 32 residential dwelling units.

APPLICANT: 412 Broadway Realty, LLC c/o Hershberg & Hershberg  
ADDRESS: 18 Locust St., Albany, NY 12203

CASE NUMBER: 11-13, 897

Date Received: 11/5/13  
Presentation Date: 11/21/13  
SEQR Classification: Unlisted Action  
SEQR Determination: 11/21/13  
Date of Decision: 11/21/13

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

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**Relevant Considerations:**

**Owner/Applicant:** 412 Broadway Realty, LLC, 4 Keystone Ter., Clifton Park, NY 12065

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

**Parcel size:** 0.22 acres.

**Property Valuation:** \$1,300,000.

**Location:** The property is located on the southwest corner of Broadway and Beaver Street.

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

**Surrounding Uses:**

***North (across Beaver Street):*** 6,680 sq. ft. mixed-use building of 414 Broadway, LLC.

***West:*** +/- 55-space parking lots of Paul N. Gordon.

***East (across Broadway):*** 152,548 sq. ft. administrative office building of the State University of New York.

***South:*** 3,796 sq. ft. building of Sheila Zurek.



**Proposed Project:** The applicant proposes to convert the upper levels of the 36,852 square foot structure at the premises for residential use. An existing retail space will remain on the ground level. The remainder of the building was previously occupied by the architecture and engineering firm of Einhorn, Yaffee and Prescott (EYP). EYP vacated the premises in 2011. The residential use would consist of a total of 32 apartments on floors 2 – 5.

**Parking:** There is no parking required within the C-3 zoning district, however, the applicant proposes to accommodate +/- 38 parking spaces on an adjacent lot at 396 Broadway.

**Water/Sewer:** Existing water and sewer service connections will be reutilized and upgraded where necessary.

**Storm Water:** There is no proposed increase in impervious surface area at the site which has been previously developed.

**Easements / Licensing Agreement:** Small portions of land will be reclaimed where an abutting parking area encroaches onto 396 Broadway. The applicant will also seek a licensing agreement with the City of Albany for a minimal encroachment onto the Hudson Avenue right-of-way.

**Landscaping/Fencing:** Four-foot, decorative, wrought-iron style fencing will be added around the proposed parking area where it abuts adjacent properties or the City right-of-way. A sliding gate will provided access to the lot from Hudson Avenue.

**Solid Waste:** A dumpster will be located adjacent to the parking area and will be enclosed in accordance with City Code provisions.

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**Actions Taken:**

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

The Board **Approved** the site plan.

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I, **Marcus Pryor** representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of **November 21, 2013**.

Date: **11/21/13**      Signature: Marcus Pryor

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

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

**COMMERCIAL/RETAIL FINDINGS RESOLUTION  
412 BROADWAY REALTY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION (A) DETERMINING THAT THE PROPOSED 412 BROADWAY REALTY, LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of

said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 412 Broadway Realty, LLC, a New York limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 36,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on November 21, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on the City of Albany City Hall bulletin board located at 24 Eagle Street, in the City of Albany, Albany County, New York as well as on the Agency website ([www.albanyida.com](http://www.albanyida.com)), (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o’clock a.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on December 19, 2013 (the "SEQR Resolution"), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the "Planning Board") to act as "lead agency" with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on November 21, 2013 (the "Negative Declaration"), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

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

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

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

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

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

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

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

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

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

- Provide and maintain intergenerational life cycle housing options
- Encourage mixed income housing options throughout the City of Albany
- Promote quality affordable housing

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

D. The Company has informed representatives of the Agency that the Project is expected to create approximately eight (8) full time permanent, private sector jobs.

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

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

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

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

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

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

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

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

New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

Section 4. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 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 19<sup>th</sup> day of December, 2013.

---

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION  
412 BROADWAY REALTY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY’S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED 412 BROADWAY REALTY, LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the



“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 412 Broadway Realty, LLC, a New York limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 36,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on November 21, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on the City of Albany City Hall bulletin board located at 24 Eagle Street, in the City of Albany, Albany County, New York as well as on the Agency website ([www.albanyida.com](http://www.albanyida.com)), (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o’clock a.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated December 9, 2013 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

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

WHEREAS, on December 9, 2013, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project; and

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

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

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

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

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

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

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

Section 3. Upon preparation by Special Counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice

Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

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

Section 5. This Resolution shall take effect immediately

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

---

(Assistant) Secretary

(SEAL)

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

- SEE ATTACHED -

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

December 9, 2013

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

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

Hon. Gerald D. Jennings, Mayor  
24 Eagle Street, Room 102  
Albany, New York 12207

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

RE: City of Albany Industrial Development Agency  
Proposed Deviation from Uniform Tax Exemption Policy  
412 Broadway Realty, LLC Project

Dear Ladies and Gentlemen:

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

On September 19, 2013, City of Albany Industrial Development Agency (the "Agency") adopted a resolution (the "Public Hearing Resolution"), pursuant to which the Agency agreed to accept an application (the "Application") from 412 Broadway Realty, LLC (the "Company"), which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 36,000 square foot building located thereon (the "Facility"), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment") (the Land, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

012001.00134 Business 12263749v2

Hon. Daniel P. McCoy  
Hon. Gerald D. Jennings  
Marguerite Vanden Wyngaard, Ph. D.  
Alexandra Streznewski, Board President  
December 9, 2013  
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The Agency's Uniform Tax Exemption Policy (the "Policy") provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany..

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency enter into a payment in lieu of tax agreement (the "Proposed PILOT Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed PILOT Agreement would provide that the Company be granted a twenty year payment in lieu of tax agreement on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law. Under the terms of the Proposed PILOT Agreement, the Company will pay (a) a base PILOT payment equal to one hundred percent (100%) of the normal taxes due on the Land and the Facility (fixed at a base amount equal to \$788,632), and (b) an additional amount based on the increase in assessed value of the Project Facility (such increase in the assessed value due to the undertaking of the Project shall be referred to as the "Improvements"), such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1 - 8	100%
9	95%
10	85%
11 - 20	80%
21 and thereafter	0%

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for December 19, 2013 at 12:15 p.m., local time at the offices of the Agency located at the office of the Agency located at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on December 19, 2013, the Agency will review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

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

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

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

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

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

The Project will create approximately 26 construction jobs, thus generating revenue for the City of Albany and surrounding areas. The major positive impact of the Project is the creation of downtown housing, which is consistent with the downtown development plan of the City of Albany. New residents in the downtown area will provide economic growth for the business and entertainment facilities located in the downtown, and result in further residential development. Additional benefits created by the Project are described in the Application.

**4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** The Project will create construction jobs over the approximately two-year construction period generating a payroll of approximately \$1,350,000.

The Company has estimated that the Project will create approximately 8 full-time jobs. Further, the Company expects that the Project will also result in the retention and creation of employment in the retail, restaurant and entertainment operations located in the downtown..

**5. The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions are the following: \$88,000, sales and use tax; \$58,750, mortgage recording tax; and \$2,844,415, real property taxes.

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

**7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of the Project is a positive one on the community, as it creates rental housing in the area. In addition it will act to reduce the vacancy rate in downtown and increase the number of market rent residential projects

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in downtown, which is critical to building the market. This development will build investor and bank confidence in the market and will serve to attract additional mid and large scale residential redevelopment projects. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The investment by the Company in undertaking the Project is equal to approximately \$3,032,000.

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

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

**11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** It is not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

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

**13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The benefit is a positive one economically, in that the Project will promote the development of the downtown of the City of Albany.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

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If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

CITY OF ALBANY INDUSTRIAL DEVELOPMENT  
AGENCY

By: s/Michael J. Yevoli  
Chief Executive Officer

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**APPROVING RESOLUTION  
412 BROADWAY REALTY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION  
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 412  
BROADWAY REALTY, LLC (THE "COMPANY").**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting

Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, 412 Broadway Realty, LLC, a New York limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximate 0.22 acre parcel of land located at 412 Broadway (Tax Map # 76.42-3-36) in the City of Albany, Albany County, New York (the “Land”), together with an approximately 36,000 square foot building located thereon (the “Facility”), (2) the renovation and reconstruction of the Facility, and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company, to constitute a mixed use retail/residential facility and to be leased by the Company to various commercial and residential tenants and any other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on November 21, 2013 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on December 4, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 4, 2013 on the City of Albany City Hall bulletin board located at 24 Eagle Street, in the City of Albany, Albany County, New York as well as on the Agency website ([www.albanyida.com](http://www.albanyida.com)), (C) caused notice of the Public Hearing to be published on December 7, 2013 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on December 19, 2013 at 11:30 o’clock a.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on December 19, 2013 (the “SEQR Resolution”), the Agency (A) ratified the determination by the Planning Board of the City of Albany, New York (the “Planning Board”) to act as “lead agency” with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on June 20, 2013 (the “Negative Declaration”), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, by further resolution adopted by the members of the Agency on December 19, 2013 (the “Commercial/Retail Finding Resolution”), the Agency (A) determined that the Project constituted a “commercial project” within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York, (D) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on December 19, 2013 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s Policy with respect to the Project; and

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

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

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by

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

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

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

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

Section 3. The Agency hereby finds and determines that:

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

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

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

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$3,032,000;

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

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

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

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

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

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

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

Section 6. The Agency is hereby authorized to acquire, reconstruct, renovate and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, reconstruction, renovation and installation are hereby ratified, confirmed and approved; provided, however, that no financial assistance shall be provided to the Project by the Agency unless and until the Mayor of the City of Albany, New York, as chief executive officer of the City of Albany, New York,

shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Agency with respect to the Project.

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

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

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

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

Section 10. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.



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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

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(Assistant) Secretary

(SEAL)

**TO:** City of Albany Industrial Development Board

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** 412 Broadway Realty, LLC – Preliminary Application Summary

**DATE:** December 6, 2013

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*Staff Notes:*

*This project summary is the result of the work staff performed per the direction of the Finance Committee at the November 13<sup>th</sup> meeting. The result of this work can be found within the Project Summary below. A positive recommendation was given by the Committee at the December 11<sup>th</sup> meeting for project approvals. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 412 Broadway Realty, LLC

**Managing Members (% of Ownership):** Marc Paquin (50%) and Gerry Gauer (50%)

**Project Location:** 412 Broadway

**Project Description:** Proposed conversion of a vacant 5 story, 36,900 sq.ft. mixed-use retail and commercial office building into mixed-use retail and residential. The Applicant is proposing 32 residential rental units (floors 2 - 5) with one and two bedroom units. The residential units will be serviced by an elevator with parking located next door. Each residential unit will be finished with carpet/tile floors, granite countertops, stainless steel appliances, etc.. The first floor will include over 6,400 sq.ft. of rentable commercial space that could accommodate up to two potential commercial tenants. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc..

**Estimated Project Cost:** \$3,032,000 (estimated amount spent to date \$50,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$1,094,000

**Estimated Total Mortgage Amount:** \$4,700,000

**Current Total Assessment:** \$788,632 (Based on estimated reduction in assessment challenge)

**Estimated Improved Total Assessment:** \$3,300,000 (per discussion with Commissioner of Assessment & Taxation)

**PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA. The PILOT will include two scenarios, Scenario #1 and Scenario #2.

- For Years 1-12, annual payments in lieu of taxes will be calculated by:
  - For Scenario #1 and Scenario #2, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$788,632 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- For Years 13-20, annual payments in lieu of taxes will be calculated by the greater of:
  - For Scenario #1, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$788,632 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
  - For Scenario #2, multiplying eleven and a half (11.5%) of gross rental revenue.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario: #1: \$1,423,816
  - Scenario: #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$88,000
- Mortgage Recording Taxes: \$58,750
- Real Property Taxes:
  - Scenario #1: \$2,844,415 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1
- Other: N/A

**Employment Impact:**

- Projected Permanent: (8) new jobs
- Projected Construction: (26) jobs

**Other Economic Impacts:**

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
  - Provide a variety of housing types to meet the varied needs of Albany's households, including market, moderate and low income housing.
  - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
  - Eligible for the 485a Real Property Tax Abatement Program
  - Part of NYS Main Street Grant CFA application sponsored by Capitalize Albany Corporation

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 11/21/13.
- Approved the site plan on 11/21/13.

**Estimated IDA Fee**

- Fee amount: \$30,320

**Mission**

- The purpose of the Industrial Development Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities. The Agency aims to protect and promote the health of the inhabitants of the City of Albany by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial development.

412 Broadway Realty, LLC - Proposed PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(6)</sup>	Status Quo		Proposed Project										Staff Amended PILOT										
				Estimated Total Assessment <sup>(7)</sup>	Estimated Total Taxes <sup>(8)</sup>	Normal Tax			485a Tax Abatement (For Comparison Purposes)					PILOT Payments to be the Greater of <sup>(18)</sup>					Estimated Abatement <sup>(21)</sup>	Estimated PILOT Payments Per Unit <sup>(22)</sup>	Estimated Abatement Per Unit <sup>(23)</sup>	% Abatement on Total Assessment <sup>(24)</sup>	% of Abatement on Improved Assessment <sup>(25)</sup>			
						Estimated Total Improved Assessment <sup>(9)</sup>	Estimated Total Taxes w/o PILOT <sup>(10)</sup>	Estimated Total Taxes w/o PILOT Per Unit <sup>(11)</sup>	Estimated PILOT Payments and Normal Taxes <sup>(12)</sup>	Estimated Abatement <sup>(13)</sup>	Estimated PILOT Payments and Normal Taxes Per Unit <sup>(14)</sup>	Estimated Abatement Per Unit <sup>(15)</sup>	% Abatement on Total Assessment <sup>(16)</sup>	% of Abatement on Improved Assessment <sup>(17)</sup>	Estimated PILOT Payments <sup>(19)</sup>	Estimated PILOT Payments <sup>(20)</sup>										
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$788,632	\$36,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$788,632	\$37,961	\$3,300,000	\$158,845	\$4,813	\$37,961	\$120,884	\$1,150	\$3,663	76.10%	100%	\$37,961	Not applicable	\$120,884	\$1,150	\$3,663	76.10%	100%					
	2016	2015/2016	\$49.58	\$788,632	\$39,100	\$3,300,000	\$163,611	\$5,100	\$39,100	\$124,511	\$1,185	\$3,773	76.10%	100%	\$39,100	Not applicable	\$124,511	\$1,185	\$3,773	76.10%	100%					
	2017	2016/2017	\$51.07	\$788,632	\$40,273	\$3,300,000	\$168,519	\$5,107	\$40,273	\$128,246	\$1,220	\$3,886	76.10%	100%	\$40,273	Not applicable	\$128,246	\$1,220	\$3,886	76.10%	100%					
	2018	2017/2018	\$52.60	\$788,632	\$41,481	\$3,300,000	\$173,574	\$5,260	\$41,481	\$132,094	\$1,257	\$4,003	76.10%	100%	\$41,481	Not applicable	\$132,094	\$1,257	\$4,003	76.10%	100%					
	2019	2018/2019	\$54.18	\$788,632	\$42,725	\$3,300,000	\$178,782	\$5,418	\$42,725	\$136,057	\$1,295	\$4,123	76.10%	100%	\$42,725	Not applicable	\$136,057	\$1,295	\$4,123	76.10%	100%					
	2020	2019/2020	\$55.80	\$788,632	\$44,007	\$3,300,000	\$184,145	\$5,580	\$44,007	\$140,138	\$1,334	\$4,247	76.10%	100%	\$44,007	Not applicable	\$140,138	\$1,334	\$4,247	76.10%	100%					
	2021	2020/2021	\$57.48	\$788,632	\$45,327	\$3,300,000	\$189,670	\$5,748	\$45,327	\$144,342	\$1,374	\$4,374	76.10%	100%	\$45,327	Not applicable	\$144,342	\$1,374	\$4,374	76.10%	100%					
	2022	2021/2022	\$59.20	\$788,632	\$46,687	\$3,300,000	\$195,360	\$5,920	\$46,687	\$148,673	\$1,415	\$4,505	76.10%	100%	\$46,687	Not applicable	\$148,673	\$1,415	\$4,505	76.10%	100%					
	2023	2022/2023	\$60.98	\$788,632	\$48,088	\$3,300,000	\$201,220	\$6,098	\$78,714	\$122,506	\$2,385	\$3,712	60.88%	80%	\$55,744	Not applicable	\$145,476	\$1,689	\$4,408	72.30%	95%					
	2024	2023/2024	\$62.81	\$788,632	\$49,530	\$3,300,000	\$207,257	\$6,281	\$112,621	\$94,636	\$3,413	\$2,868	45.66%	60%	\$73,189	Not applicable	\$134,068	\$2,218	\$4,063	64.69%	85%					
	2025	2024/2025	\$64.69	\$788,632	\$51,016	\$3,300,000	\$213,475	\$6,469	\$148,491	\$64,983	\$4,500	\$1,969	30.44%	40%	\$83,508	Not applicable	\$129,967	\$2,531	\$3,938	60.88%	80%					
	12 <sup>(3)</sup>	2026	2025/2026	\$66.63	\$788,632	\$52,547	\$3,300,000	\$219,879	\$6,663	\$186,412	\$33,466	\$5,649	\$1,014	15.22%	20%	\$86,013	Not applicable	\$133,866	\$2,606	\$4,057	60.88%	80%				
13	2027	2026/2027	\$68.63	\$788,632	\$54,123	\$3,300,000	\$226,475	\$6,863	\$226,475	-	\$6,863	-	-	-	\$88,593	11.5% of Project Gross Rental Revenue	\$137,882	\$2,685	\$4,178	60.88%	80%					
14	2028	2027/2028	\$70.69	\$788,632	\$55,747	\$3,300,000	\$233,270	\$7,069	\$233,270	-	\$7,069	-	-	-	\$91,251	11.5% of Project Gross Rental Revenue	\$142,018	\$2,765	\$4,304	60.88%	80%					
15	2029	2028/2029	\$72.81	\$788,632	\$57,419	\$3,300,000	\$240,268	\$7,281	\$240,268	-	\$7,281	-	-	-	\$93,989	11.5% of Project Gross Rental Revenue	\$146,279	\$2,848	\$4,433	60.88%	80%					
16	2030	2029/2030	\$74.99	\$788,632	\$59,142	\$3,300,000	\$247,476	\$7,499	\$247,476	-	\$7,499	-	-	-	\$96,808	11.5% of Project Gross Rental Revenue	\$150,667	\$2,934	\$4,566	60.88%	80%					
17	2031	2030/2031	\$77.24	\$788,632	\$60,916	\$3,300,000	\$254,900	\$7,724	\$254,900	-	\$7,724	-	-	-	\$99,713	11.5% of Project Gross Rental Revenue	\$155,187	\$3,022	\$4,703	60.88%	80%					
18	2032	2031/2032	\$79.56	\$788,632	\$62,743	\$3,300,000	\$262,547	\$7,956	\$262,547	-	\$7,956	-	-	-	\$102,704	11.5% of Project Gross Rental Revenue	\$159,843	\$3,112	\$4,844	60.88%	80%					
19	2033	2032/2033	\$81.95	\$788,632	\$64,626	\$3,300,000	\$270,423	\$8,195	\$270,423	-	\$8,195	-	-	-	\$105,785	11.5% of Project Gross Rental Revenue	\$164,638	\$3,206	\$4,989	60.88%	80%					
20 <sup>(4)</sup>	2034	2033/2034	\$84.40	\$788,632	\$66,564	\$3,300,000	\$278,536	\$8,440	\$278,536	-	\$8,440	-	-	-	\$108,959	11.5% of Project Gross Rental Revenue	\$169,577	\$3,302	\$5,139	60.88%	80%					
Permanent <sup>(5)</sup>	2035	2034/2035	\$86.94	\$788,632	\$68,561	\$3,300,000	\$286,892	\$8,694	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated Total <sup>(26)</sup>					\$1,020,019			\$4,268,231		\$2,877,693	\$1,390,538					\$1,423,816		\$2,844,415								

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of 485a Tax Abatement (shown for comparison reasons).

(4) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(5) Property returns to taxable status.

(6) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAX RATES THAT ARE STILL PAYABLE.

(7) Based on estimated reduction in assessment. PLEASE NOTE THAT THE ASSUMPTION IS CONSERVATIVE AS IT DOES NOT TAKE INTO ACCOUNT THAT THE VALUE OF THE PROPERTY WILL LIKELY CONTINUE TO DECLINE DUE TO THE LOW MARKET DEMAND AND HIGH MARKET SUPPLY OF CLASS B AND C COMMERCIAL SPACE IN THE CITY OF ALBANY.

(8) Estimated taxes if proposed project did not occur (i.e. left status quo). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(9) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100,000 per unit (inc. land and improvement assessment value). Assessment value is not fixed. PLEASE NOTE THIS NUMBER HAS CHANGED FROM PREVIOUS ANALYSES AS THE ASSESSOR HAS INDICATED A CHANGE IN ASSESSMENT PROCEDURES AS RETAIL SPACE WILL NOW BE ASSESSED AT \$100,000 PER UNIT. FOR PURPOSES OF THIS EXERCISE THE APPLICANT HAS INDICATED THAT AVAILABLE SPACE COULD ACCOMMODATE 1 to 2 RETAIL TENANTS.

(10) Estimated taxes if proposed project occurred without PILOT assistance. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE. PLEASE NOTE THAT AS SHOWN VIA RESEARCH, TAXES (INC. BID AND LIBRARY) ARE 2X OR HIGHER WHAT MULTIFAMILY PROJECTS CAN SUPPORT.

(11) Estimated taxes Per Unit if proposed project occurred without PILOT assistance. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(12) Estimated PILOT Payments and Normal Taxes Years 13-20 assuming 485a Tax Abatement (shown for comparison reasons). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(13) Difference of Estimated PILOT Payments and Normal Taxes Years 13-20 from Estimated Total Taxes w/o PILOT assuming 485a Tax Abatement (shown for comparison reasons).

(14) Estimated PILOT Payments and Normal Taxes Years 13-20 Per Unit assuming 485a Tax Abatement (shown for comparison reasons). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(15) Difference of Estimated PILOT Payments and Normal Taxes Years 13-20 Per Unit from Estimated Total Taxes w/o PILOT Per Unit assuming 485a Tax Abatement (shown for comparison reasons).

(16) Percent Abatement on Total Assessment and Normal Taxes Years 13-20 via PILOT assuming 485a Tax Abatement (shown for comparison reasons).

(17) Percent Abatement on Improved Assessment and Normal Taxes Years 13-20 via PILOT assuming 485a Tax Abatement (shown for comparison reasons).

(18) PILOT Payments in Years 1-12 will be calculated by the schedule listed for Percent Abatement on Improved Assessment. Starting in Year 13 the PILOT Payments will be calculated as the greater of the Percent Abatement on Improved Assessment or 11.5% of Project Gross Rental Revenue.

(19) Estimated PILOT Payments assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(20) Estimated PILOT Payments assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(21) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT.

(22) Estimated PILOT Payments Per Unit assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.

(23) Difference of Estimated PILOT Payments Per Unit from Estimated Total Taxes w/o PILOT Per Unit assuming Applicant Requested PILOT.

(24) Percent Abatement on Total Assessment via PILOT assuming Applicant Requested PILOT.

(25) Percent Abatement on Improved Assessment via PILOT assuming Applicant Requested PILOT.

(26) Totals for comparison and analysis during PILOT agreement period only.

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
ELECTION OF VICE CHAIRMAN APPROVAL RESOLUTION**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

**RESOLUTION APPROVING THE ELECTION OF THE VICE CHAIRMAN OF THE  
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY.**

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

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

WHEREAS, the members of the Agency desire to elect a new Vice Chairman;

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

Section 1. The Agency hereby elects the following member of the Agency as the new Vice Chairman of the Agency:

Tracy Metzger	Vice-Chairman
---------------	---------------

Section 2. The Agency hereby authorizes the Chairman, the CEO and CFO to take all steps necessary to implement this Resolution.

Section 3. All action taken by the CEO and CFO of the Agency in connection with the preparation and adoption of this Resolution prior to the date hereof 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 vote on roll call, which resulted as follows:

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

The resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of 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 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 19<sup>th</sup> day of December, 2013.

(Assistant) Secretary

(SEAL)





Teal, Becker & Chiaramonte™  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

October 1, 2013

To The Board of Directors  
City of Albany Industrial Development Agency,  
a Component Unit of the City of Albany  
21 Lodge Street  
Albany, NY 12207

We are pleased to confirm our understanding of the services we are to provide the City of Albany Industrial Development Agency, a Component Unit of the City of Albany for the year ending December 31, 2013. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany as of and for the year ending December 31, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Albany Industrial Development Agency, a Component Unit of the City of Albany's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Albany Industrial Development Agency, a Component Unit of the City of Albany's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A)
2. Schedule of Revenues, Expenditures, and Changes in Net Assets-Budget (Non-GAAP Basis) and Actual

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a paragraph that states that the purpose of the report is intended to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Albany Industrial Development Agency, a Component Unit of the City of Albany is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide, such as drafting of the financial statements and maintenance of the depreciation schedule; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies, or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Engagement Administration, Fees, and Other**

In connection with this engagement, we may communicate with you or others via e-mail. As e-mails can be intercepted, disclosed, used, and/or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot ensure that e-mails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability for interception or unintentional disclosure of e-mail transmissions, or for the unauthorized use of failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage arising from the use of e-mail, including any punitive, consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure of confidential information.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Albany Industrial Development Agency, a Component Unit of the City of Albany; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Teal, Becker & Chiamonte, CPAs, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Teal, Becker & Chiamonte, CPAs, P.C.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

City of Albany Industrial Development Agency,  
a Component Unit of the City of Albany  
October 1, 2013  
Page Six

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Pasquale M. Scisci is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report.

Our fees for these services for the year ending December 31, 2013 will be \$7,000, plus out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audits. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Interest of 1.5% per month will be charged on late payments over 45 days. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

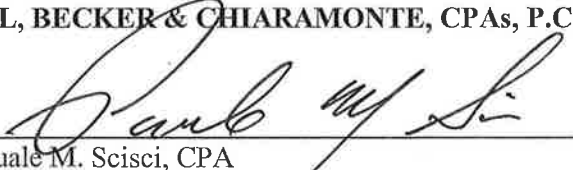
It is our policy to keep records related to this engagement for seven years. However, the Firm does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven year period, the Firm shall be free to destroy our records related to this engagement.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Albany Industrial Development Agency, a Component Unit of the City of Albany and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

**TEAL, BECKER & CHIARAMONTE, CPAs, P.C.**

  
\_\_\_\_\_  
Pasquale M. Scisci, CPA

City of Albany Industrial Development Agency,  
a Component Unit of the City of Albany  
October 1, 2013  
Page Seven

RESPONSE:

This letter correctly sets forth the understanding of **City of Albany Industrial Development Agency, a Component Unit of the City of Albany.**

By : \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Number of bound copies of the financial statements needed: \_\_\_\_\_

Special mailing instructions for the bound copies of the financial statements: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Do you need an electronic copy of the financial statements? \_\_\_\_\_

SR/gsw  
00118doc  
ENG12YB  
Enclosures

## SYSTEM REVIEW REPORT

August 19, 2011

To the Shareholders of  
Teal, Becker & Chiaramonte, CPAs P.C. and the  
Peer Review Committee of the  
New York State Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Teal, Becker & Chiaramonte, CPAs P.C. in effect for the year ended March 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Teal, Becker & Chiaramonte, CPAs P.C. in effect for the year ended March 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Teal, Becker & Chiaramonte, CPAs P.C. has received a peer review rating of *pass*.

*Amato, Fox & Company, P.C.*

Amato, Fox and Company, P.C.



**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
2013 APPROVAL RESOLUTION REGARDING SELECTION OF ACCOUNTANTS**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

**RESOLUTION APPROVING THE RETAINING OF AN ACCOUNTING FIRM FOR  
CONDUCTING THE 2013 FISCAL YEAR AUDIT OF THE CITY OF ALBANY  
INDUSTRIAL DEVELOPMENT AGENCY.**

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

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

WHEREAS, the Agency is required to conduct an annual independent audit for its financial statements for the fiscal year ended December 31, 2013 (the "2013 Audit"); and

WHEREAS, the Agency staff has recommended retaining the services of Teal, Becker & Chiaramonte CPAs, P.C.;

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

Section 1. The Agency hereby approves Teal, Becker & Chiaramonte CPAs, P.C. to perform the necessary professional services as outlined in the attached engagement letter to complete the audit of the financial statements as of and for the year ended December 31, 2013 at an estimated fee of \$7,000.00.

Section 2. The Agency hereby authorizes the Chairman, the CEO and CFO to take all steps necessary to implement this Resolution.

Section 3. All action taken by the CEO and CFO of the Agency in connection with the retaining of the accounting firm 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 vote on roll call, which resulted as follows:

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

The resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of 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 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 19<sup>th</sup> day of December, 2013.

(Assistant) Secretary

(SEAL)

**RESOLUTION AUTHORIZING ADDITIONAL FINANCING – DECEMBER 2013  
SIXTY STATE PLACE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

Resolution No. 1213-

**RESOLUTION AUTHORIZING THE EXECUTION BY CITY OF ALBANY  
INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE AND  
RELATED DOCUMENTS IN CONNECTION WITH THE SIXTY STATE PLACE,  
LLC PROJECT.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the

“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, on or about August 18, 2011, the Agency granted certain “financial assistance” within the meaning of the Act (the “Financial Assistance”) in connection with a project (the “Project”) being undertaken by the Agency consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing approximately 25,000 square foot, four story building (the “Facility”) located thereon, (2) the renovation and reconstruction of portions of the Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes; 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, the Agency has a leasehold and license interest in the Land pursuant to (A) a certain lease to agency dated as of August 1, 2012 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased 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”) for a lease term ending on December 31, 2032 and (B) a certain license agreement dated as of August 1, 2012 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee; and

WHEREAS, in order to finance a portion of the costs of the Project, the Company obtained a loan in the principal sum of up to \$3,000,000 (the “Loan”) from Pioneer Savings Bank (the “Lender”), which Loan was secured by (1) a mortgage and security agreement dated as of December 1, 2011 (the “Mortgage”) from the Agency and the Company to the Lender and (2) an assignment of rents and leases dated as of December 1, 2011 (the “Assignment of Rents”) from the Agency and the Company to the Lender.

WHEREAS, by e-mail dated December 19, 2013 (the “Request”), which Request is attached hereto as Exhibit A, the Agency was informed that the Company will be obtaining an additional loan in the amount of \$1,000,000 from the Holder (the “New Loan”), which New Loan will be secured by a mortgage, assignment of leases and rents and a security agreement on the Project Facility; and

WHEREAS, pursuant to the Request, as the Agency has a leasehold and license interest in the Land, the Agency is being asked to enter into a mortgage, an assignment of leases and rents, a security agreement and any related documents (collectively, the “New Loan Documents”); and

WHEREAS, in connection with the execution and delivery of the New Loan Documents, the Agency will not be providing any benefits to the Company via exemption from the mortgage recording tax; and

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

WHEREAS, pursuant to SEQRA, the Agency has examined the Request in order to make a determination as to whether the Request is subject to SEQRA, and it appears that the Request constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Request, the Agency hereby makes the following determinations:

(A) The Request constitutes a “Type II action” pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Request.

(B) The Agency will not be granting any mortgage recording tax exemption relating to the Request.

(C) That since compliance by the Agency with the Request will not result in the Agency providing more than \$100,000 of “financial assistance” (as such quoted term is defined in the Act) to the Company, Section 859-a of the Act does not require a public hearing to be held with respect to the Request.

Section 2. Subject to (A) approval of the form of the New Loan Documents, by Agency counsel and Special Agency counsel, (B) receipt by the Chief Executive Officer of (1) the Agency’s administrative fee relating to the Request, if any, and (2) counsel’s fees relating to the Request, and (C) the following additional conditions: \_\_\_\_\_, the Agency hereby authorizes the execution by the Agency of the New Loan Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the New Loan Documents to the Company, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

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

Section 5. This Resolution shall take effect immediately.

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

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

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

\_\_\_\_\_  
(Assistant) Secretary

(SEAL)



EXHIBIT A

REQUEST

-----Original Message-----

From: James A. Carminucci [mailto:JCarminucci@lemerygreisler.com]

Sent: Thursday, December 19, 2013 8:13 AM

To: Scott III, A. Joseph

Cc: Jeffrey Gordon

Subject: Re: 60 State

The owners of 60 State Street have applied for additional construction financing from Pioneer Savings Bank in the amount of \$1,000,000 to fund continued renovations to the facility. Pioneer is the holder of the existing mortgage indebtedness on the property. In order to be able to close on the loan, Pioneer requests that the IDA consent to the filing of a second mortgage on the facility in an amount not to exceed \$1,000,000 and agree that the existing lease agreement between the IDA and the facility owner be subordinate to the lien of that second mortgage.

Sent from my iPhone

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY  
RESOLUTION APPROVING TERMINATION/CONVEYANCE DOCUMENTS  
NEW COVENANT CHARTER SCHOOL PROJECT**

A regular meeting of City of Albany Industrial Development Agency was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on December 19, 2013 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Lee Eck	Member
Tracy Metzger	Member
C. Anthony Owens	Member
Darius Shahinfar	Member

**ABSENT:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

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

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

**RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION OF  
VARIOUS TERMINATION/CONVEYANCE DOCUMENTS RELATING TO THE  
NEW COVENANT CHARTER SCHOOL PROJECT.**

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

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

WHEREAS, on May 5, 2005, the Agency issued its Tax-Exempt Civic Facility Revenue Bonds (New Covenant Charter School Project), Series 2005A in the original aggregate principal amount of \$15,125,000 (the "Tax-Exempt Bonds") and Taxable Civic Facility Revenue Bonds (New Covenant Charter School Project), Series 2005B in the original aggregate principal amount of \$1,480,000 (the "Taxable Bonds") (the Tax-Exempt Bonds and the Taxable Bonds hereinafter collectively referred to as the "Bonds") in order to assist New Covenant Charter School (the "Institution") in undertaking a project (the "Project"); and

WHEREAS, the Bonds were issued under a resolution adopted by the members of the Agency on April 28, 2005 (the "Bond Resolution") and a trust indenture dated as of May 1, 2005 (the "Indenture") by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Project consisted of the following: (A) (1) the acquisition of an interest in a parcel of real estate containing approximately 3 acres of land located at 50 North Lark Street in the City of Albany, Albany County, New York (the "Land"), together with the existing building located thereon (the "Existing Building"), (2) the demolition of the Existing Building, (3) the construction thereon of a building complex to contain approximately 90,000 square feet of space (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"), all of the foregoing to be owned by the Institution and to constitute a facility providing education, social and recreation-related programs and services to the community; (B) the refinancing of debt incurred by the Institution to provide interim financing for the foregoing; (C) the financing of all or a portion of the costs of the foregoing by the issuance of its tax-exempt and taxable civic facility revenue bonds in one or more issues or series (the "bonds"); (D) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain mortgage recording taxes (collectively with the bonds, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Institution or such other person as may be designated by the Institution and agreed upon by the Agency; and

WHEREAS, in order to assist the Agency and the Institution in undertaking the Project, the City of Albany, New York (the "City") ground leased the Land to the Institution pursuant to a ground lease dated as of February 8, 2001 (the "Ground Lease") by and between the City and the Institution; and

WHEREAS, simultaneously with the issuance of the Bonds, (A) the Institution and Agency executed and delivered (1) a certain lease agreement dated as of May 1, 2005 (the "Underlying Lease") by and between the Institution and the Agency, and (2) a bill of sale dated as of May 1, 2005 (the "Bill of Sale to Agency") from the Institution to the Agency, and (B) the Agency executed and delivered an installment sale agreement dated as of May 1, 2005 (the "Installment Sale Agreement") by and between the Agency and the Institution and certain other documents related to the Project and to the Bonds (collectively with the Indenture and the Installment Sale Agreement, the "Financing Documents"); and

WHEREAS, in connection with the Project, the Institution has sub-leased a portion of the Facility (the "Subleased Premises") to the Agency for use as a facility providing social and recreation-related programs and services to the community pursuant to a sublease agreement dated as of March 1, 2002 (the "Sublease Agreement") by and between the Institution and the Agency; and

WHEREAS, Agency staff has been informed that the Trustee, in connection with the default by the Institution of the repayment of the Bonds and the enforcement of certain rights and remedies under the Indenture and the other Financing Documents, desires to convey the Project Facility to the City of Albany City School District (the "City School District") and, further, to provide for the termination of the Bonds and certain of the Financing Documents; and

WHEREAS, the Agency desires to cooperate with the parties and assist the parties in executing and delivering, subject to the conditions contained in this resolution and in the Financing Documents, the documents necessary to provide for the conveyance of the Project Facility to the City School District and the termination of the Bonds (the "Conveyance/Termination Documents"); and

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

WHEREAS, pursuant to SEQRA, the Agency has examined the Request in order to make a determination as to whether the Request is subject to SEQRA, and it appears that the Request constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Request, the Agency hereby determines that the Request constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(2), (8) and/or (37), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Request.

Section 2. The Agency hereby authorizes the execution by the Agency of the Conveyance/Termination Documents and any documents necessary and related thereto, subject to (A) approval of the form of the Conveyance/Termination Documents by Agency Counsel and Bond Counsel, (B) compliance with the terms and conditions contained in the Financing Documents, (C) compliance with applicable state and federal law, (D) evidence that the Company is current under any payments owed to the Agency or the City relating to the Project, (F) the payment by the Company of all fees and expenses of the Agency in connection with the delivery of such consent, including the administrative fee of the Agency, if any, and the fees of Agency Counsel and Bond Counsel, (G) the execution of any amendments of the Ground Lease necessary to provide for the conveyance to the City School District, (H) the execution of any amendments to the Sublease Agreement requested by the Agency, and (I) the additional conditions: \_\_\_\_\_.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Conveyance/Termination 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 Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Conveyance/Termination 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 Conveyance/Termination Documents binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

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

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

The Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on December 19, 2013 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of 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 given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 19th day of December, 2013.

(Assistant) Secretary

(S E A L)

AMENDED  
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.  
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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: Park South Partners LLC

APPLICANT'S ADDRESS: 255 Washington Avenue Extension

CITY: Albany STATE: New York ZIP CODE: 12205

PHONE NO.: 862-6600 FAX NO.: 862-6610 E-MAIL: towens@tricityrentals.com

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

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

NAME OF ATTORNEY: Paul Goldman, Esq.

ATTORNEY'S ADDRESS: 210 Washington Avenue Extension

CITY: Albany STATE: New York ZIP CODE: 12203

PHONE NO.: 431-0941 FAX NO.: 694-4821 E-MAIL: pgoldman@goldmanpllc.com

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NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.  
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### 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: Park South Partners LLC  
Contact Person: Timothy R. Owens  
Phone Number: (518) 862-6600  
Occupant: various residential/retail tenants  
Project Location: Portion of 163 Morris Street, 11 New Scotland Avenue, 33 New Scotland Avenue and 160 Morris Street  
Approximate Size of Project Site: 163 Morris St. (22.25 acres); 11 New Scotland Ave. (0.58 acres); 33 New Scotland Ave. (0.69 acres); and 160 Morris St. (0.43 acres) (Portions of).  
Description of Project: \* see below

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

Employment Impact: Existing Jobs 0  
New Jobs 11

Project Cost: \$ 52,583,536

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:	<u>\$1,628,468</u>
Mortgage Recording Taxes:	<u>\$ 500,000</u>
Real Property Tax Exemptions:	<u>\$16,047,599</u>
Other (please specify):	<u>\$</u>

\* Acquisition of 163 Morris St., 11 New Scotland Ave., 33 New Scotland Ave. and 160 Morris St.; construction of 268 apartment units and retail space; and installation thereon of various personal property, furniture, fixtures and equipment. Subject to final approval.

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

A. Identity of Company:

1. Company Name: Park South Partners LLC

Present Address: 255 Washington Avenue Extension, Albany, NY

Zip Code: 12205

Employer's ID No.: 46-3393252

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. ☒ Limited liability company,  
Date created? August 13, 2013.

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:  
See attached list of affiliates.

B. Management of Company:

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

The Manager of the Company will be MRP Associates LLC, a New York limited liability company owned 51% Norman Massry and 49% Morris Massry which will own 1% of the Membership Interests. All other equity will be owned by Morris Massry and/or Norman Massry and entities formed for the benefit of their families.

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Norman Massry Morris Massry		see list of affiliated companies attached hereto.

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
MRP Associates, LLC	255 Washington Ave. Ext. Albany, New York 12205	1%
Norman Massry	255 Washington Ave. Ext. Albany, New York 12205	Approx. 49.5%
Morris Massry	255 Washington Ave. Ext. Albany, New York 12205	Approx. 49.5%

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

## II. DATA REGARDING PROPOSED PROJECT

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

Acquisition of a leasehold interest in portions of those certain parcels of land located at 160 Morris St., 163 Morris Street, 11 New Scotland Avenue, and 33 New Scotland Avenue, construction thereon of +/- 268 residential apartments and 25,000 +/- sq. ft. retail; and installation thereon of various tenant fit up, finishes, furniture, fixtures and equipment.

B. Location of Proposed Project:

1. Street Address 160 Morris St., 163 Morris St., 11 New Scotland Ave. and 33 New Scotland Ave.
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: 23.95 acres

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: various residential structures per final approved site plan

b. Are existing buildings in operation? Yes x; No \_\_\_\_.

If yes, describe present use of present buildings: residential housing

c. Are existing buildings abandoned? Yes x; No \_\_\_\_\_. About to be abandoned? Yes x; No \_\_\_\_\_. If yes, describe: residential housing and occupants are in the process of being relocated.

d. Attach photograph of present buildings.

3. Utilities serving project site:  
Water-Municipal: City of Albany  
Other (describe)  
Sewer-Municipal: City of Albany  
Other (describe)  
Electric-Utility: National Grid  
Other (describe)  
Heat-Utility: National Grid  
Other (describe)
4. Present legal owner of project site: Albany Medical Center
- a. If the Company owns project site, indicate date of purchase: \_\_\_\_\_, 20\_\_\_\_; Purchase price: \$ n/a- leasehold acquisition
- 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: \_\_\_\_\_, 20\_\_\_\_; and the date the option expires: \_\_\_\_\_, 20\_\_\_\_. in process
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes \_\_\_\_; No x. If yes, describe:
5. a. Zoning District in which the project site is located:  
Park South Planned Development Overlay District
- b. Are there any variances or special permits affecting the site? Yes \_\_\_\_; No x. If yes, list below and attach copies of all such variances or special permits:

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes x; No \_\_\_\_\_. If yes, indicate number and size of new buildings:  
5 residential buildings and 2 mid-rise buildings with potential retail on 1st floor and residential on remaining 5 floors. See Attached Exhibit A.
2. Does part of the project consist of additions and/or renovations to the existing buildings? Yes \_\_\_\_; No x. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:  
residential housing and potential retail.

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:  
various tenant furniture, fixtures and equipment
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:  
Furniture, fixtures and equipment for residential apartments and retail stores

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 apartments and potential retail.
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:  
There will be +/- 25,000 sq. ft. retail for the entire Project.
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? 8.5 %



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: n/a

- a. Will the Project be operated by a not-for-profit corporation? Yes\_\_\_\_; No\_\_\_\_. If yes, please explain: n/a
- 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\_\_\_\_. If yes, please explain: n/a
- 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\_\_\_\_. If yes, please explain: n/a
- 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\_\_\_\_. If yes, please provide detail:  
n/a
- 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\_\_\_\_; No\_\_\_\_. If yes, please explain: \_\_\_\_\_ n/a

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\_\_\_\_. If yes, please explain: n/a

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\_\_\_\_; 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.

Albany Common Council, Albany Planning Board, ESDC.  
City of Albany Zoning Board of Appeals

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

H. Construction Status:

1. Has construction work on this project begun? Yes \_\_\_\_; No ☒. 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: None.

I. Method of Construction After Agency Approval:

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

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

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

- A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ☒; No \_\_\_\_\_. If yes, please complete the following for each existing or proposed tenant or subtenant: The Project is intended to be leased to various residential tenants under typical 1 year lease agreements and potential retail.
1. 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.**

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? 0%

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					
Present Part Time		SEE ATTACHED EMPLOYMENT SCHEDULE			
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 See attached Project Cost Chart - Exhibit B

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	\$ 2,100,000
Buildings	\$49,347,536
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial	

and printing)	\$ 455,000
Construction loan fees and interest	
(if applicable)	\$ 681,000
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>TOTAL PROJECT COST</b>	<b>\$52,583,536</b>

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; n/a
  - b. Maturity requested: \_\_\_\_\_ Years. n/a
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes \_\_\_\_; No x.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: 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 \_\_\_\_
  - 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? \$ 40,000,000.
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? \$ 19,739,014.  
49,347,536 x 40% x 8.25%
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:	\$ <u>1,628,468</u>
b.	Mortgage Recording Taxes:	\$ <u>500,000</u>
c.	Real Property Tax Exemptions:	\$ _____
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 X; No \_\_\_\_\_. If yes, please explain.

The applicant is requesting a payment in lieu of tax agreement pursuant to the attached proposed PILOT Schedule - Exhibit C.

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

**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:

PARK SOUTH PARTNERS LLC

By: MRP Associates, LLC, Manager

(Applicant)

BY:

Name: Timothy Owens

Title: Authorized Representative

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

---

VERIFICATION

(If applicant is partnership)

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

Timothy Owens, deposes and says  
(Name of Individual)

that he is ~~one of the members of the firm of~~ Paul Savin Partners LLC  
~~The Authorized Representative~~ (Limited Liability Company)

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

Timothy Owens

Sworn to before me this  
13<sup>th</sup> day of December 2013

Paul Goldman  
(Notary Public)

PAUL GOLDMAN  
Notary Public, State of New York  
No. 4864023  
Qualified in Albany County  
Commission Expires 6/9/2014

VERIFICATION

(If applicant is limited liability company)

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

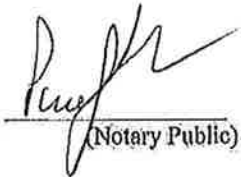
TIMOTHY OWENS, deposes and says

(Name of Individual)  
that he is one of the ~~XXXXXX~~ of the firm of PARK SOUTH PARTNERS LLC,  
Authorized Representative LLC (Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

  
Name:

Sworn to before me this  
13<sup>th</sup> day of December, 2013

  
(Notary Public)

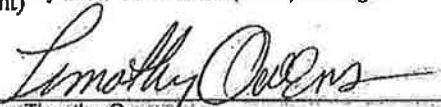
PAUL GOLDMAN  
Notary Public, State of New York  
No. 4864023  
Qualified in Albany County  
Commission Expires 6/19/2014

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

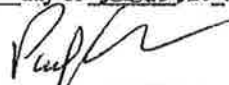
HOLD HARMLESS AGREEMENT

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.

PARK SOUTH PARTNERS LLC  
(Applicant) By: MRP Associates, LLC, Manager

BY:   
Name: Timothy Owens  
Title: Authorized Representative

Sworn to before me this  
13<sup>th</sup> day of December 2013

  
(Notary Public)

PAUL GOLDMAN  
Notary Public, State of New York  
No. 4864023  
Qualified in Albany County  
Commission Expires 6/9/2013

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"):	Park South Partners LLC
2. Brief Identification of the Project:	Acquisition of 160 Morris St, 163 Morris St, 11 New Scotland Ave., *
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0.00
B. Value of Sales Tax Exemption Sought	\$ 1,628,468
C. Value of Real Property Tax Exemption Sought	\$ 16,047,599
D. Value of Mortgage Recording Tax Exemption Sought	\$ 500,000.00

### PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 2,100,000.00
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$ 49,347,536.00
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$

\* and 33 New Scotland Ave., construction of +/- 268 apartment units and retail space, and installation thereon of various personal property, furniture, fixtures and equipment.

<b>C. Machinery and Equipment Costs</b>	
1. Production and process equipment	\$
2. Packaging equipment	\$
3. Warehousing equipment	\$
4. Installation costs for various equipment	\$
5. Other equipment-related costs (describe)	\$
<b>D. Furniture and Fixture Costs</b>	
1. Office furniture	\$
2. Office equipment	\$
3. Computers	\$
4. Other furniture-related costs (describe)	\$
<b>E. Working Capital Costs</b>	
1. Operation costs	\$
2. Production costs	\$
3. Raw materials	\$
4. Debt service	\$
5. Relocation costs	\$
6. Skills training	\$
7. Other working capital-related costs (describe)	\$
<b>F. Professional Service Costs</b>	
1. Architecture and engineering	\$
2. Accounting/legal /IDA fees	\$ 455,000.00
3. Other service-related costs (describe)	\$
<b>G. Other Costs</b>	
1. Loan fees, CPI, carry costs	\$ 681,000.00
2.	\$
<b>H. Summary of Expenditures</b>	
1. Total Land-Related Costs	\$ 2,100,000.00
2. Total Building-Related Costs	\$ 49,347,536.00
3. Total Machinery and Equipment Costs	\$
4. Total Furniture and Fixture Costs	\$
5. Total Working Capital Costs	\$
6. Total Professional Service Costs	\$ 455,000.00
7. Total Other Costs	\$ 681,000.00

**PROJECTED PROFIT**

\*See attached Income &amp; Expense Reports

- 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	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$

**PROJECTED CONSTRUCTION EMPLOYMENT IMPACT**

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

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	0	\$	\$
Year 1	200*	\$ 2,704,000	\$ 405,600
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

\* equivalent of 20 full time jobs - 1 year

**PROJECTED PERMANENT EMPLOYMENT IMPACT**

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

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



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

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year				
Year 1	see attached Job Creation Chart			
Year 2				
Year 3				
Year 4				
Year 5				

III. Please provide estimates for the following:

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

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

20% We anticipate job openings will be listed with the local Job Development Authority office which will provide a source of local applicants for employment.

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

**PROJECTED OPERATING IMPACT**

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

Additional Purchases (1 <sup>st</sup> year following project completion)	\$ 0
Additional Sales Tax Paid on Additional Purchases	\$ 0
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ 0
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ 0

After full completion and stabilization, the Company does not anticipate retaining agent status for sale tax exemption

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

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2	SEE ATTACHED PROPOSED PILOT SCHEDULE		
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

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

Local retail and service industries will benefit from the 268 new market rate residences in 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.

<b>Date Signed:</b> <u>Dec</u> <u>13</u> , 20 <u>08</u> <sup>13</sup>	<b>Name of Person Completing Project Questionnaire on behalf of the Company.</b>  <b>Name:</b> <u>Timothy Owens</u> <b>Title:</b> <u>GENERAL MANAGER</u> <b>Phone Number:</b> <u>862-6600</u> <b>Address:</b> <u>255 Washington Avenue Ext.</u> <u>Albany NY 12205</u>  <b>Signature:</b> <u>Timothy Owens</u>
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## SCHEDULE A

## CREATION OF NEW JOB SKILLS

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

[illegible]

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

### Schedule A - Site Plan



# of Apartments 268Taxes with savingsProj Increase  
2.00%

Year	Assessment Floor	Assessment Ceiling	Exemption Factor	Value after Exemption	Rate per \$1,000	Projected Taxes	Taxes Per Apt
CP	2014	15,374,239	\$ 18,569,040	Fixed at Current	\$ 46.45	\$ 163,000	\$ 608
CP	2015	15,374,239	\$ 18,569,040	Fixed at Current	\$ 47.37	\$ 163,000	\$ 608
Year 1	2016	15,374,239	\$ 18,569,040	Fixed at Current	\$ 48.32	\$ 163,000	\$ 608
Year 2	2017	15,374,239	\$ 18,569,040	Fixed at Current	\$ 49.29	\$ 163,000	\$ 608
Year 3	2018	15,374,239	\$ 18,569,040	Fixed at Current	\$ 50.27	\$ 163,000	\$ 608
Year 4	2019	15,374,239	\$ 18,569,040	Fixed at Current	\$ 51.28	\$ 163,000	\$ 608
Year 5	2020	15,374,239	\$ 18,569,040	Fixed at Current	\$ 52.31	\$ 163,000	\$ 608
Year 6	2021	15,374,239	\$ 18,569,040	Fixed at Current	\$ 53.35	\$ 163,000	\$ 608
Year 7	2022	15,374,239	\$ 18,569,040	Fixed at Current	\$ 54.42	\$ 163,000	\$ 608
Year 8	2023	15,374,239	\$ 18,569,040	Fixed at Current	\$ 55.51	\$ 163,000	\$ 608
Year 9	2024	15,374,239	\$ 18,569,040	Fixed at Current	\$ 56.62	\$ 163,000	\$ 608
Year 10	2025	15,374,239	\$ 18,569,040	Fixed at Current	\$ 57.75	\$ 163,000	\$ 608
Year 11	2026	15,374,239	\$ 18,569,040	75.00%	\$ 4,642,260	\$ 58.90	\$ 273,450
Year 12	2027	15,374,239	\$ 18,569,040	75.00%	\$ 4,642,260	\$ 60.08	\$ 278,919
Year 13	2028	15,374,239	\$ 18,569,040	75.00%	\$ 4,642,260	\$ 61.28	\$ 284,497
Year 14	2029	15,374,239	\$ 18,569,040	75.00%	\$ 4,642,260	\$ 62.51	\$ 290,187
Year 15	2030	15,374,239	\$ 18,569,040	65.00%	\$ 6,499,164	\$ 63.76	\$ 414,387
Year 16	2031	15,374,239	\$ 18,569,040	65.00%	\$ 6,499,164	\$ 65.04	\$ 422,675
Year 17	2032	15,374,239	\$ 18,569,040	60.00%	\$ 7,427,616	\$ 66.34	\$ 492,718
Year 18	2033	15,374,239	\$ 18,569,040	60.00%	\$ 7,427,616	\$ 67.66	\$ 502,573
Year 19	2034	15,374,239	\$ 18,569,040	55.00%	\$ 8,356,068	\$ 69.02	\$ 576,702
Year 20	2035	15,374,239	\$ 18,569,040	55.00%	\$ 8,356,068	\$ 70.40	\$ 588,236
Total Estimated Taxes with abatement						\$ 6,080,345	

Taxes with savingsProj Increase  
2.00%

Projected Taxes	Taxes Per Apt	Projected Taxes	Taxes Per Apt	Projected Taxes	Taxes Per Apt	Projected Taxes	Taxes Per Apt
Year 1	2014	Construction period - current taxes		\$ 46.45	\$ 163,000	\$ 608	
Year 2	2015	Construction period - current taxes		\$ 47.37	\$ 163,000	\$ 608	
Year 3	2016	\$ 18,569,040	0%	\$ 48.32	\$ 897,296	\$ 3,348	
Year 4	2017	\$ 18,569,040	0%	\$ 49.29	\$ 915,242	\$ 3,415	
Year 5	2018	\$ 18,569,040	0%	\$ 50.27	\$ 933,547	\$ 3,483	
Year 6	2019	\$ 18,569,040	0%	\$ 51.28	\$ 952,218	\$ 3,553	
Year 7	2020	\$ 18,569,040	0%	\$ 52.31	\$ 971,263	\$ 3,624	
Year 8	2021	\$ 18,569,040	0%	\$ 53.35	\$ 990,688	\$ 3,697	
Year 9	2022	\$ 18,569,040	0%	\$ 54.42	\$ 1,010,502	\$ 3,771	
Year 10	2023	\$ 18,569,040	0%	\$ 55.51	\$ 1,030,712	\$ 3,846	
Year 11	2024	\$ 18,569,040	0%	\$ 56.62	\$ 1,051,326	\$ 3,923	
Year 12	2025	\$ 18,569,040	0%	\$ 57.75	\$ 1,072,352	\$ 4,001	
Year 13	2026	\$ 18,569,040	0%	\$ 58.90	\$ 1,093,799	\$ 4,081	
Year 14	2027	\$ 18,569,040	0%	\$ 60.08	\$ 1,115,675	\$ 4,163	
Year 15	2028	\$ 18,569,040	0%	\$ 61.28	\$ 1,137,989	\$ 4,246	
Year 16	2029	\$ 18,569,040	0%	\$ 62.51	\$ 1,160,749	\$ 4,331	
Year 17	2030	\$ 18,569,040	0%	\$ 63.76	\$ 1,183,964	\$ 4,418	
Year 18	2031	\$ 18,569,040	0%	\$ 65.04	\$ 1,207,643	\$ 4,506	
Year 19	2032	\$ 18,569,040	0%	\$ 66.34	\$ 1,231,796	\$ 4,596	
Year 20	2033	\$ 18,569,040	0%	\$ 67.66	\$ 1,256,432	\$ 4,688	
Year 21	2034	\$ 18,569,040	0%	\$ 69.02	\$ 1,281,560	\$ 4,782	
Year 22	2035	\$ 18,569,040	0%	\$ 70.40	\$ 1,307,192	\$ 4,878	
Total Estimated Taxes without abatement						\$ 22,127,944	

Projected Savings \$ 16,047,599