

**RESOLUTION APPROVING THIRD EXTENSION OF APPROVING RESOLUTION AND
ACCEPTANCE OF AMENDED APPLICATION
FC 705 BROADWAY LLC/705 BROADWAY HOTEL, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on June 16, 2022 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Elizabeth Staubach	Chair
Lee E. Eck, Jr.	Vice Chair
Darius Shahinfar	Treasurer
Anthony Gaddy	Secretary
Joseph Better	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Thomas Conoscenti	Chief Operating Officer/Interim CFO
Andrew Corcione	Project Services Director
Ashley Mohl	Vice President, Capitalize Albany Corporation
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Economic Development Specialist, Capitalize Albany Corporation
Erin Grace	Executive Assistant, Capitalize Albany Corporation
Marisa Franchini, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

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

Resolution No. 0622-

RESOLUTION APPROVING A THIRD EXTENSION OF THE EXPIRATION DATE
RELATING TO THE APPROVING RESOLUTION ADOPTED BY THE CITY OF
ALBANY INDUSTRIAL DEVELOPMENT AGENCY AND ACCEPTANCE OF
AMENDED APPLICATION WITH RESPECT TO A COMMERCIAL PROJECT FOR FC
705 BROADWAY, LLC/705 BROADWAY HOTEL, LLC

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

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

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

WHEREAS, in April, 2019, FC 705 Broadway, LLC and 705 Broadway Hotel, LLC, each a New York State limited liability company (collectively, the “Company”), submitted an application (the “Original Application”) to the Agency, a copy of which Original Application is on file at the office of the Agency, which Original 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 approximately 1.67 acre parcel of land located at 705 Broadway in the City of Albany, Albany County, New York (tax map number 76.27-1-18) (the “Land”), (2) the construction on the Land of an approximately 84,534 square foot building (the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute a 132 room eight (8) story hotel 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 May 16, 2019 (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 May 22, 2019 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on May 23, 2019 on a bulletin board located at Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as the Agency’s website, (C) caused notice of the Public Hearing to be published on May 24, 2019 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, New York, (D) conducted the Public Hearing on June 12, 2019 at 12:00 o’clock p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”)

adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on June 20, 2019 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on January 18, 2018 (the “Negative Declaration”), in which the Planning Board determined that the Project would not have a significant adverse environmental impact on the environment, and therefore, that an environmental statement need not be prepared with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on June 20, 2019 (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 and (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 June 20, 2019 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s uniform tax exemption policy with respect to the Project; and

WHEREAS, pursuant to a resolution adopted by the members of the Agency on June 20, 2019 (the “Approving Resolution”), the Agency determined to grant the Financial Assistance and to enter into a lease agreement (the “Lease Agreement”) between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the “Basic Documents”). Pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, by certificate dated June 25, 2019 (the “Public Approval”), the Mayor, as chief executive officer of the City of Albany, New York, approved the proposed action to be taken by the Agency with respect to the Project for purposes of Section 862(2)(c) of the Act; and

WHEREAS, pursuant to the Agency’s Policy Manual, the Approving Resolution was scheduled to expire on June 20, 2020, unless the Agency granted an extension to such expiration date; and

WHEREAS, by resolution adopted by the members of the Agency on June 18, 2020 (the “Resolution Approving Extension of Approval Resolution”), the Agency determined to extend the expiration date of the Approving Resolution from June 20, 2020 to June 20, 2021; and

WHEREAS, by resolution adopted by the members of the Agency on June 17, 2021 (the “Resolution Approving Second Extension of Approval Resolution”), the Agency determined to extend the expiration date of the Approving Resolution from June 20, 2021 to June 20, 2022; and

WHEREAS, the Company has provided a written request dated May 26, 2022 (the “Third Extension Request”), which Third Request is attached hereto as Exhibit A, requesting that the Agency again extend the scheduled expiration date of the Approving Resolution, as extended, to December 31, 2022; and

WHEREAS, the members of the Agency have reviewed the Third Extension Request and desire to extend the expiration date of the Resolution Approving Extension of Approval Resolution; and

WHEREAS, subsequent to the adoption of the Approving Resolution, the Agency received an amended application dated May 26, 2022 (the “Amended Application” and collectively with the Original Application, the “Application”), which Amended Application reflects the following changes to the Project:

- (A) Increase in cost of the Project: \$30,415,000 to \$36,546,517;
- (B) Decrease in mortgage recording tax exemption benefit: \$220,000 to \$196,270;
- (C) Decrease in real property tax exemption benefit: \$5,818,076 to \$3,268,337;
- (D) Decrease in size of parcel (Land) from 1.67 acres to 0.39 acres due to subdivision with corresponding change in tax map no. to 76.27-1-18.2; and
- (E) Decrease in size of the Facility: 84,534 square feet to 74,000 square feet with corresponding decrease in number (i) of floors from 8 to 7 and (ii) of rooms from 132 to 110.

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 Amended Application, the Agency hereby determines that since compliance by the Agency with the Amended Application does 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 Amended Application.

Section 2. The Approving Resolution, as extended, is hereby amended to include the following as the final recital clause therein:

“WHEREAS, on or about May 26, 2022, the Agency received an amended application (the “Amended Application”) with respect to the Project;”

Section 3. The third recital clause of the Approving Resolution is hereby amended to replace the existing Project description with the following description:

“(A) (1) the acquisition of an interest in an approximately 0.39 acre parcel of land located at 705 Broadway in the City of Albany, Albany County, New York (tax map number 76.27-1-18.2) (the “Land”), (2) the construction on the Land of an approximately 74,000 square foot building (the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (the “Equipment”) (the Land, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute a 110 room seven (7) story hotel 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”

Section 4. Section 3(D) of the Approving Resolution is hereby amended to read as follows:

“(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 \$36,546,517;”

Section 5. As a result of the information provided in the Amended Application, Exhibit A of the Approving Resolution is hereby amended as reflected in the attached Exhibit B to this resolution.

Section 6. Based upon the representations made by the Company in the Third Extension Request, the Agency hereby finds that the findings and determinations relating to the Project contained in Section 3 of the Approving Resolution, as extended and as amended per the Amended Application, continue to be in effect, and, therefore, the Agency hereby determines that it is desirable and in the public interest to extend the expiration date of the Approving Resolution, as extended, from June 20, 2022 to December 31, 2022.

Section 7. The Agency hereby determines as follows: to extend the expiration date of the Approving Resolution, as extended, to December 31, 2022.

Section 8. Except as amended by this resolution, the Approving Resolution, as extended and as amended, shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

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 this Resolution, 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 this Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of this Resolution binding upon the Agency.

Section 10. All actions taken by the Chief Executive Officer of the Agency, Agency Counsel and Agency Special Counsel with respect to the Project, the Third Extension Request, the Amended Application and the granting of the Extension Request and acceptance of the Amended Application are hereby ratified and confirmed.

Section 11. This Resolution shall take effect immediately.

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

Elizabeth Staubach	VOTING	_____
Lee E. Eck, Jr.	VOTING	_____
Darius Shahinfar	VOTING	_____
Anthony Gaddy	VOTING	_____
Joseph Better	VOTING	_____

The Resolution was thereupon declared duly adopted.

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

I, the undersigned 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 June 16, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this _____ day of June, 2022.

Secretary

(SEAL)

EXHIBIT A
THIRD EXTENSION REQUEST

- SEE ATTACHED -

City of Albany Industrial Development Agency (CAIDA)
c/o Department of Economic Development
21 Lodge Street
Albany, NY 12207

May 26, 2022

Re: FC 705 Broadway, LLC and 705 Broadway Hotel, LLC Project

Dear CAIDA Members and Staff:

With respect to the above-named project, we respectfully request an extension to December 31, 2022 of the "financial assistance" granted to this project in June 2019 by the City of Albany Industrial Development Agency (the "Agency").

We appreciate the Agency's patience and continued support for this project through its many iterations. We have been involved with the site since 2016 and remain steadfast in our commitment to the Project. We are optimistic that our vision will be realized and we look forward to seeing this important neighborhood flourish as a result of the project's completion. Despite pandemic-related impacts on the hotel sector, Pioneer, our franchise partner Hyatt, and our operating partner HEI, remain confident regarding the viability of this hotel, especially in a post-COVID environment. This confidence is based on the significant amount of data that we process from our other upstate New York hotels, which have rebounded nicely from the pandemic and continue to outpace even our own aggressive benchmarking.

The Quackenbush Square property was a brownfield when it was purchased by Pioneer and during 2017 we fully remediated the site at a cost of approximately \$6,000,000. The property then received a Certificate of Completion from New York State DEC in December of that year. Hotel construction began in 2019, and continued through April of 2020 when New York State declared a moratorium on construction due to the COVID-19 pandemic. When the state permitted construction to restart in May of 2020, Pioneer decided not to restart construction until financing could be secured. Capital markets remained closed to hospitality throughout 2020 as COVID-related protocols made travel difficult and the future of the industry was uncertain at best. Many operating hotels closed their doors and some remain closed to this day. Others relied on forbearance agreements with their lenders and PPP loans to stay afloat. What little capital was available went to distressed hotel assets and financing for new build projects was either non-existent or came with exorbitant interest rates.

Presently, the 110-room, 74,000sf, seven-story Hyatt Place hotel is about 30% complete. Pioneer will finish the construction as the general contractor, using many of the same subcontractors that were engaged when construction ceased in 2020. Notably, the construction pause allowed Pioneer to redesign many elements of the project in order to integrate current technologies. As a result, the project will be 100% electrified making it one of the very few carbon-neutral hotels not only in New York State, but the nation as well.




Because capital markets continue to be hesitant to return to hospitality investments in Upstate New York, Pioneer principals will provide the necessary equity contribution to complete the project, further illustrating their confidence that this project will be successful. The remaining capital stack will consist of financing from NY Green Bank, CPACE debt, ESD grant, NYSERDA grant, Hyatt key money and deferred developer fees.

We expect to close on financing in late June 2022 and immediately restart construction. Under normal conditions, we would expect to complete construction of the building in ten months. That said, we are mindful that delays caused by persistent issues within the supply-chain, labor shortages, and rising material costs could adversely affect the construction timeline. We are preparing for these interruptions, but acknowledge that each of these issues are beyond our control.

We appreciate the Agency's continued support, time, and efforts.

Best regards,



The Pioneer Companies
Mark W. Roney, CEO

EXHIBIT B

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

FC705 BROADWAY, LLC PROJECT

Pursuant to the City of Albany Industrial Development Agency’s (the “Agency”) Uniform Criteria for the Evaluation of Projects Policy, the following general uniform criteria were utilized by the “Agency” to evaluate and select the project for which the Agency can provide financial assistance. In the discussions had between the Project Beneficiary and the Agency with respect to the Project Beneficiary’s request for Financial Assistance from the Agency with respect to the Project, the Project Beneficiary has represented to the Agency that the Project is expected to provide the following benefits to the Agency and/or to the residents of City of Albany, Albany County, New York (the “Public Benefits”):

Description of Evaluation Criteria/Benefit		Applicable to Project (indicate Yes or No)		Criteria Assessment/ Expected Benefit
1.	Retention direct and indirect of existing jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity in the Downtown and Clinton Square neighborhoods, thereby promoting the retention of existing jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment and office operations located in the surrounding area.</p>
2.	Creation of direct and indirect new permanent jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity in the Downtown and Clinton Square neighborhoods, thereby promoting the creation of new permanent jobs.</p> <p>The Project will create 25 new full time equivalent jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment, service and office operations located in the surrounding area.</p>

3.	Estimated value of tax exemptions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The exemptions have been weighed against the cumulative benefits of the Project.</p> <p>NYS Sales and Compensating Use Tax Exemption: \$800,000 Mortgage Recording Tax Exemption: \$196,270 Real Property Tax Exemption: \$3,268,337</p>
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project applicant expects to invest over \$36.5 million of private investment in the Project.
5.	Likelihood of Project being accomplished in a timely fashion	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>High likelihood that Project will be accomplished in a timely fashion.</p> <p>The Project has received a term sheet and letter of intent for Project Financing.</p> <p>The Applicant closed on the purchase of the property in 2016.</p>
6.	Extent of new revenue provided to local taxing jurisdictions.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will result in new revenue to local taxing jurisdictions under the proposed PILOT program through the City of Albany IDA.</p> <p>Project will result in an increase in assessed value from the current total assessment: \$140,400 (Per City of Albany Commissioner of Assessment and Taxation 2021 Assessment Roll) to the estimated improved total assessment: \$8,815,000 (Per City of Albany Commissioner of Assessment and Taxation).</p>

7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The Project will develop a vacant property and create approximately 25 FTEs.</p> <p>The Project will increase the consumer base to support local businesses and employers.</p> <p>The Project will have a positive revitalizing effect on the community by developing currently vacant parcels in a strategically identified neighborhood location.</p> <p>The Project meets the intent and furthers the implementation of the following City of Albany strategic initiatives: Albany 2030.</p>
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