

**APPROVING SECOND EXTENSION OF AMENDED APPROVING RESOLUTION
THE LOFTS AT PINE HILLS 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 December 15, 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
Hon. Darius Shahinfar	Treasurer
Anthony Gaddy	Secretary
Joseph Better	Member
Christopher Betts	Member
John F. Maxwell, Esq.	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
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. 1222-__

**RESOLUTION APPROVING A SECOND EXTENSION OF THE EXPIRATION DATE
RELATING TO THE AMENDED APPROVING RESOLUTION ADOPTED BY THE
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO A
COMMERCIAL PROJECT FOR THE LOFTS AT PINE HILLS 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 January, 2021, The Lofts at Pine Hills LLC, a New York State limited liability company (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 Application requested that the Agency consider undertaking a project (the “Original Project”) for the benefit of the Company, said Original Project consisting of the following: (A) (1) the acquisition of an interest in approximately 9 parcels of land totaling approximately 1.62 acres located at 177 Quail Street, 179 Quail Street, 181 Quail Street, 183 Quail Street, 185 Quail Street, 187 Quail Street, 233 Western Avenue, 237 Western Avenue and 694 State Street Rear (respectively, Tax Map numbers: 65.61-5-26, 65.61-5-27, 65.61-5-28, 65.61-5-29, 65.61-5-30, 65.61-5-31, 65.61-5-41.1, 65.61-5-42 and 65.61-5-14) in the City of Albany, Albany County, New York (collectively, the “Land”), together with approximately nine buildings located thereon (collectively, the “Existing Facility”), (2) the demolition of the Existing Facility and the construction on the Land of an approximately 124,323 square foot mixed use building and associated parking (the “Original New Facility” and collectively with the Existing Facility, the “Original Facility”), (3) the acquisition and installation therein and thereon of certain machinery, equipment and other personal property (collectively, the “Equipment”) (the Land, the Original Facility and the Equipment being collectively referred to as the “Original Project Facility”); all of the foregoing to be owned and operated by the Company as an approximately 97 unit residential apartment building with approximately 6,000 square feet of commercial/retail space 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 property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Original 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 February 18, 2021 (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 Original 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 Original Project and the financial assistance being contemplated by the Agency with respect to the Original Project, to be mailed on February 25, 2021 to the chief executive officers of the county and of each city, town, village and school district in which the Original Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on February 25, 2021 at Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website, (C) caused notice of the Public Hearing to be published on February 27, 2021 in the Albany Times Union, a newspaper of general circulation available to the residents of

City of Albany, Albany County, New York, (D) as a result of the ban on large meetings or gatherings pursuant to Executive Order 202.1, as supplemented, and the suspension of the Open Meetings Law relating to public hearings pursuant to Executive Order 202.15, as supplemented, each as issued by Governor Cuomo in response to the novel Coronavirus (COVID-19) pandemic, conducted the Public Hearing on March 10, 2021 at 12:00 o'clock p.m. local time, electronically via conference call rather than in person, 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 March 18, 2021 (the "Resolution Confirming SEQR Determination"), 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 June 25, 2019 (the "Negative Declaration"), in which the Planning Board determined that the Original 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 Original Project; and

WHEREAS, by further resolution adopted by the members of the Agency on March 18, 2021 (the "Commercial/Retail Finding Resolution"), the Agency (A) determined that the Original Project constituted a "commercial project" within the meaning of the Act, (B) found that although the Original 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 Original Project, the Agency is authorized to provide financial assistance in respect of the Original Project pursuant to Section 862(2)(a) of the Act because the Original Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Original 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 Original Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Original Project by the Agency unless and until the Mayor of the City of Albany, as chief executive officer of the 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 Original Project; and

WHEREAS, by resolution adopted by the members of the Agency on March 18, 2021 (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 Original Project; and

WHEREAS, by further resolution adopted by the members of the Agency on March 18, 2021 (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 Original 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 Original Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Original Project and (B) the Agency has leased the Original Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Original Project Facility from the Agency; and

WHEREAS, by further resolution adopted by the members of the Agency on March 17, 2022 (the "Resolution Approving Extension of Approval Resolution"), the Agency determined to extend the expiration date of the Approving Resolution from March 18, 2022 to December 31, 2022; and

WHEREAS, in April, 2022, the Agency received an amended application with respect to the Original Project (the “Application”), which Application supplants the Original Application, which Application requests the Agency to (A) amend the description of the Original Project, and (B) despite the increase in the cost of the Original Project, as amended, to decrease the Financial Assistance being provided by the Agency to the Company (collectively, the “Amendment”); and

WHEREAS, by resolution adopted by the members of the Agency on April 21, 2022 (The “Amended Approving Resolution”) the Agency determined to approve the Amendment and the Project, as amended; and

WHEREAS, pursuant to the Application, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) which amends the Original Project for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in approximately 9 parcels of land totaling approximately 1.62 acres located at 177 Quail Street, 179 Quail Street, 181 Quail Street, 183 Quail Street, 185 Quail Street, 187 Quail Street, 233 Western Avenue, 237 Western Avenue and 694 State Street Rear (respectively, Tax Map numbers: 65.61-5-26, 65.61-5-27, 65.61-5-28, 65.61-5-29, 65.61-5-30, 65.61-5-31, 65.61-5-41.1, 65.61-5-42 and 65.61-5-14) in the City of Albany, Albany County, New York (collectively, the “Land”), together with approximately nine buildings located thereon (collectively, the “Existing Facility”), (2) the demolition of the Existing Facility and the construction on the Land of two (2) buildings containing approximately 105,610 square feet of space (collectively, the “New Facility” and collectively with the Existing Facility, the “Facility”), (3) the acquisition and installation therein and thereon of certain machinery, equipment and other personal property (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 and operated by the Company as an approximately 83 unit residential apartment building with approximately 5,563 square feet of commercial/retail space and approximately 69 off street parking spaces 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 property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by certificate dated May 11, 2022 (the “Public Approval”), the Mayor, as chief executive officer of the City of Albany, New York, confirmed the proposed action to be taken by the Agency with respect to the Project for the purposes of Section 862(2)(c) of the Act; and

WHEREAS, the Company has provided a written request (the “Second Extension Request”), a copy of which Second Extension Request is attached hereto as Exhibit A, requesting that the Agency again extend the scheduled expiration date of the Amended Approving Resolution, as extended, to June 30, 2023; and

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

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

Section 1. Based upon the representations made by the Company in the Second Extension Request, the Agency hereby finds that the findings and determinations relating to the Project contained in Section 3 of the Approving Resolution, as amended 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 Amended Approving Resolution from December 31, 2022 to June 30, 2023.

Section 2. The Agency hereby determines as follows: to extend the expiration date of the Amended Approving Resolution to June 30, 2023.

Section 3. 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 4. Except as modified by this Resolution, the Amended Approving Resolution shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

Section 5. All action taken by the Chief Executive Officer of the Agency, Agency Counsel and Agency Special Counsel with respect to the Project, the Second Extension Request and the granting of the Second Extension Request is hereby ratified and confirmed.

Section 6. This Resolution shall take effect immediately.

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

Elizabeth Staubach	VOTING	_____
Lee E. Eck, Jr	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____
Anthony Gaddy	VOTING	_____
Joseph Better	VOTING	_____
Christopher Betts	VOTING	_____
John F. Maxwell, Esq.	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 December 15, 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 December, 2022.

Secretary

(S E A L)

SCHEDULE A
SECOND EXTENSION REQUEST

- SEE ATTACHED -

Patrick Rafferty
The Lofts at Pine Hills, LLC
18 Division Street, Unit 610
Saratoga Springs, NY 12866

November 28, 2022

Elizabeth Staubach
Chair
City of Albany Industrial Development Agency
21 Lodge Street
Albany, NY 12207

RE: Request for extension of approved PILOT for The Lofts at Pine Hills Project

Dear Ms. Elizabeth Staubach

Consistent with the City of Albany IDA requirements, we respectfully request an extension of the PILOT agreement for The Lofts at Pine Hills, which is set to expire December 31, 2022, without action.

It is no secret that there have been significant changes to our market's economic landscape, particularly over the past twelve months. These changes have added challenges to our project, which was already challenged with the unprecedented global pandemic. Since the IDA's last approval of the subject PILOT in June of 2022, in addition to the increase in labor and supply costs, we have experienced a rapid increase in the cost of capital to the tune of 100%. The combination of these variables has made the metrics of our project unfavorable for moving forward at this time. We're working diligently to make this project work, however the equity requirements in the current economic climate are higher than what we have available.

Respectively we are requesting a six-month extension through June of 2023. This will provide our team the necessary time to continue to monitor changes as it relates to the costs associated with materials and capital. We would be interested in learning about any new incentives that you may be aware of that could assist with our completion of this major step in revitalizing the Pine Hills neighborhood in the City of Albany.

Thank you for your time and consideration. Should you have any questions or would like to meet, please do not hesitate to reach out.

Sincerely,



Patrick Rafferty
prafferty@phj-llc.com