

City of Albany Industrial Development Agency

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

Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better
John Maxwell
Christopher Betts

Sarah Reginelli, Chief Executive Officer
Andy Corcione, Project Services Director
Marisa Franchini, Agency Counsel
A. Joseph Scott, Special Counsel

To: Elizabeth Staubach
Lee Eck
Darius Shahinfar
Christopher Betts

Joseph Better
Anthony Gaddy
John Maxwell

CC: Sarah Reginelli
Marisa Franchini
Joe Scott

Andy Corcione
Amy Horwitz
Emma Fullem

Date: September 15, 2023

IDA REGULAR BOARD MEETING

A Regular Meeting of the City of Albany Industrial Development Agency will be held on
Thursday, September 21, 2023 at 12:15 pm at 21 Lodge St. Albany, NY 12207

AGENDA

Roll Call, Reading & Approval of the Minutes of Regular Board Meeting of August 17, 2023

Report of Chief Financial Officer

- A. Financial Report

Unfinished Business

- A. 324 State Street, LLC
 - i. Project Synopsis
 - ii. SEQR Resolution
 - iii. Commercial Retail Findings Resolution
 - iv. PILOT Deviation Approval Resolution
 - v. Approving Resolution
- B. 144 State Street, LLC
 - i. SEQR Resolution
 - ii. PILOT Deviation Approval Resolution
 - iii. Approving Resolution

New Business

- A. 413 North Pearl Assoc., LLC
 - i. Resolution Consenting to Assignment and Assumption of Mortgage

Other Business

- A. Agency Update
- B. Compliance Update
- C. Capitalize Albany Corporation (Liberty Park Acquisition Assistance)
Please note that any materials for this item will be included in a supplemental packet available on the CAIDA website.

Adjournment

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IDA MINUTES OF REGULAR BOARD MEETING

August 17, 2023, at 12:15 p.m.

Attending: Elizabeth Staubach, John Maxwell, Joseph Better, Darius Shahinfar, Anthony Gaddy, and Lee Eck

Absent: Christopher Betts

Also Present: Sarah Reginelli, Andy Corcione, Emma Fullem, Renee McFarlin, Amy Horwitz, Tom Libertucci, Marisa Franchini, and Joseph Scott

Public Present: Debra Lambek, Brandon Stabler, Joseph Perniciaro, and Riad Aafouallah

Chair Elizabeth Staubach called the Regular Board Meeting of the IDA to order at 12:17 p.m. at 21 Lodge St., Albany, NY.

Roll Call, Reading and Approval of Minutes of the July 20, 2023, Regular Board Meeting

A roll call of the Board members present was held. Chair Elizabeth Staubach reported that all members were present except Christopher Betts. Since the minutes of the previous meeting had been distributed to Board members in advance for review, Ms. Staubach made a proposal to dispense with reading and approve the minutes of the Regular Board meeting of July 20, 2023. A motion was made by Darius Shahinfar and seconded by Joseph Better to accept the minutes as presented. The motion to accept the minutes as presented was passed with all other members voting aye.

Report of Chief Financial Officer

Staff provided an update on the quarterly financials. Staff reported on agency fees and interest income collected for the month of July and projections for the month of August. Staff advised that all known expenses for July were previously approved and that based on projections, the IDA is on track to have a year to end cash balance of approximately \$4 million.

Unfinished Business

None.

New Business

324 State Street, LLC – Public Hearing Resolution

Staff provided a summary of the *324 State Street LLC* project to the Board. A representative for the Applicant was on hand to answer questions from the Board. The project entails the redevelopment of an existing +/- 40,000 SF

commercial building, currently owned by the College of St. Rose, into approximately 29 market rate apartments, two of which will be the required inclusionary housing units. The Applicant is requesting sales and use tax exemptions, a mortgage recording tax exemption and real property tax exemptions. It was noted that this project was discussed in detail at the previous Finance Committee meeting.

Chair Elizabeth Staubach asked for a motion to approve the *Public Hearing Resolution* for the *324 State Street LLC* project. A motion was made by Darius Shahinfar and seconded by Anthony Gaddy. A vote being taken, the resolution passed unanimously with all members voting aye.

144 State Street, LLC (Renaissance Hotel) - Public Hearing Resolution

Staff provided the Board with a brief background of the *144 State Street LLC* project. Representatives for the Applicant were on hand to answer questions from the Board. Staff provided background on the original project which was approved by the CAIDA Board in 2014 and involved the acquisition and conversion of a vacant historic building into a Renaissance Hotel by Marriott. A representative from the Project Beneficiary, was present to answer any questions. The current request at hand involves a \$3.5 M renovation of the existing hotel as part of the required ongoing maintenance/operation of the hotel per brand standards. The Applicant intends to refurbish the hotel guest rooms and common areas. The Applicant is requesting sales and use tax exemptions and an extension/modification of the existing real property tax exemptions. It was noted that this project was discussed in detail at the previous Finance Committee meeting.

Chair Elizabeth Staubach asked for a motion to approve the *Public Hearing Resolution* for the *144 State Street, LLC* project. A motion was made by Lee Eck and seconded by John Maxwell. A vote being taken, the resolution passed unanimously with all members voting aye.

Representatives for the project, Debra Lambek and Brandon Stabler left the meeting at 12:21p.m.

705 Broadway Hotel, LLC – Resolution Authorizing Modification to Basic Documents for the Execution of Sales Tax Exemption

Staff provided the Board with a brief background of the *705 Boardway Hotel, LLC* project which was originally approved in August 2022. Staff noted the request at hand was administrative in nature and did not include any new financial assistance.

Chair Elizabeth Staubach asked for a motion to approve the *Resolution Authorizing Modification to Basic Documents for the Execution of Sales Tax Exemption*. A motion was made by Darius Shahinfar and seconded by Joseph Better. A vote being taken, the resolution passed unanimously with all members voting aye.

1211 Western Ave. Property Associates, LLC – Resolution Authorizing Modification to Basic Documents for the Extension of Sales Tax Exemption

Staff provided the Board with a brief background of the *1211 Western Ave. Property Associates, LLC* project. Representatives for the Applicant were on hand to answer questions from the Board. Staff noted the request at hand was administrative in nature and did not include any new financial assistance.

Chair Elizabeth Staubach asked for a motion to approve the *Resolution Authorizing Modification to Basic Documents for the Execution of Sales Tax Exemption*. A motion was made by Darius Shahinfar and seconded by Joseph Better. A vote being taken, the resolution passed unanimously with all members voting aye.

Representative for the project, Riad Aafouallah left the meeting at 12:26 p.m.

16 Sheridan Avenue, LLC – Resolution Consenting to Additional Mortgage

Staff provided the Board with a brief background of the *16 Sheridan Avenue LLC* project. Representatives for the Applicant were on hand to answer questions from the Board. Staff noted the request at hand was administrative in

nature and did not include any new financial assistance.

Chair Elizabeth Staubach asked for a motion to approve the *Resolution Consenting to Additional Mortgage*. A motion was made by Darius Shahinfar and seconded by Joseph Better. A vote being taken, the resolution passed unanimously with all members voting aye.

Other Business

Agency Update

Staff discussed a notification letter received from a former contractor at the Harmony Mills South, LLC project (90 State St.), indicating a lien has been filed regarding an alleged non-payment for work completed on site. Special Counsel drafted a letter to the Project Beneficiary informing them of the notification letter received by the Agency and certain related requirements contained within the Project Documents.

Staff reported a draft 2024 budget will be presented to the Finance Committee in September and noted the IDA project pipeline is slower than what has been seen over the last three years.

Staff provided an update on Clinton Avenue Apartments which in 2017 was approved for real property tax exemptions; located at Clinton Avenue and Ten Broeck Street. This was a \$47.8 million dollar project with historic tax credits. Currently there is a 6-month waiting list to get in. There are sixty-four affordable housing units and mixed income including 70 row houses and 210 apartments.

Compliance Update

Special Counsel advised that at a future Board Meeting, Chris Canada, Esq. of Hodgson Russ, LLP will join us to talk about the state of the Legislature and stories trending state-wide.

The Agency's Annual Report is being finalized for the year 2022 and it is anticipated it will be submitted to the Common Council this fall.

There being no further business, Chair Elizabeth Staubach called for a motion to adjourn the meeting. Upon a motion made by Anthony Gaddy and seconded by John Maxwell, and a vote being taken, the meeting was adjourned at 12:34 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

City of Albany IDA
2023 Monthly Unrestricted Cash Position
August 2023

	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 4,240,072	\$ 4,445,682	\$ 4,325,143	\$ 4,306,164	\$ 4,063,872	\$ 4,024,383	\$ 4,110,637	\$ 4,063,491	\$ 3,997,036	\$ 3,958,351	\$ 3,960,851	\$ 3,995,851	\$ 4,240,072
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 4,500
Agency Fee	334,459	-	-	-	-	56,033	\$ -	\$ 81,530	\$ -	65,000	35,000	43,000	\$ 615,022
Administrative Fee	500	1,500	10,000	-	-	500	\$ 500	\$ 500	4,000	-	-	-	17,500
Modification Fee / consulting service fee	-	-	-	-	-	-	\$ -	\$ -	8,500	-	-	-	8,500
Subtotal - Fee Revenue	<u>\$ 334,959</u>	<u>\$ 1,500</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,033</u>	<u>\$ 2,000</u>	<u>\$ 82,030</u>	<u>\$ 14,000</u>	<u>\$ 65,000</u>	<u>\$ 35,000</u>	<u>\$ 43,000</u>	<u>\$ 645,522</u>
Other Revenue													
AFP 107 Corp. Community Development Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9% LIHTC Fee(LV Apart, Housing Visions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	2,106	1,903	2,108	2,041	2,110	2,043	2,113	2,113	-	-	-	-	16,537
CRC	14,827	-	-	-	-	-	-	-	-	-	-	-	14,827
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc CAC escrow for legal fees	-	-	-	-	-	137,072	-	-	-	-	-	-	137,072
Subtotal - Other Revenue	<u>\$ 16,933</u>	<u>\$ 1,903</u>	<u>\$ 2,108</u>	<u>\$ 2,041</u>	<u>\$ 2,110</u>	<u>\$ 139,115</u>	<u>\$ 2,113</u>	<u>\$ 2,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,436</u>
Total - Revenue	<u>\$ 351,892</u>	<u>\$ 3,403</u>	<u>\$ 12,108</u>	<u>\$ 2,041</u>	<u>\$ 2,110</u>	<u>\$ 197,148</u>	<u>\$ 4,113</u>	<u>\$ 84,143</u>	<u>\$ 14,000</u>	<u>\$ 65,000</u>	<u>\$ 35,000</u>	<u>\$ 43,000</u>	<u>\$ 813,958</u>
Expenditures													
Management Contract	\$ 41,186	\$ 123,558	-	\$ 41,186	\$ 41,186	\$ 41,186	\$ 41,186	\$ 133,186	\$ 52,685	-	-	-	\$ 515,359
Consulting Fees	-	-	-	-	-	4,999	-	-	-	-	-	-	\$ 4,999
Strategic Activities	-	-	20,640	3,600	-	-	6,960	17,000	-	-	-	-	48,200
Cyber Security and IT Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Audits	-	-	8,200	-	-	-	-	-	-	-	-	-	8,200
Agency Counsel	42,000	-	-	-	-	-	-	-	-	-	-	-	42,000
ED Support	62,500	-	-	62,500	-	62,500	-	-	-	62,500	-	-	250,000
Sub-lease AHCC	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	1,773	2,717	-	-	-	-	-	4,490
Misc.	596	384	2,099	-	413	436	396	412	-	-	-	-	4,736
Legal Expenses	-	-	148	137,047	-	-	-	-	-	-	-	-	137,195
SBAP Grant Awards	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	<u>\$ 146,282</u>	<u>\$ 123,942</u>	<u>\$ 31,087</u>	<u>\$ 244,333</u>	<u>\$ 41,599</u>	<u>\$ 110,894</u>	<u>\$ 51,259</u>	<u>\$ 150,598</u>	<u>\$ 52,685</u>	<u>\$ 62,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015,179</u>
Ending Balance	<u>\$ 4,445,682</u>	<u>\$ 4,325,143</u>	<u>\$ 4,306,164</u>	<u>\$ 4,063,872</u>	<u>\$ 4,024,383</u>	<u>\$ 4,110,637</u>	<u>\$ 4,063,491</u>	<u>\$ 3,997,036</u>	<u>\$ 3,958,351</u>	<u>\$ 3,960,851</u>	<u>\$ 3,995,851</u>	<u>\$ 4,038,851</u>	<u>\$ 4,038,851</u>

City of Albany IDA
Fee Detail by Month
March 2023

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	760 Broadway	\$ -	\$ 10,795		\$ -	\$ 10,795
	Clinton Avenue apartments	-	313,664	500	-	314,164
	LV apartments		10,000			10,000
		-	-	-	-	-
	TOTAL	\$ -	\$ 334,459	\$ 500	\$ -	\$ 334,959
<i>February</i>	IndusPAD Flair	\$ -		\$ 1,500	\$ -	\$ 1,500
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500
<i>March</i>	Sheridan Hollow	\$ -		\$ 10,000	\$ -	\$ 10,000
		-		-	-	-
		-		-	-	-
		-		-	-	-
	TOTAL	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
<i>April</i>		\$ -		\$ -	\$ -	\$ -
		-		-	-	-
		-		-	-	-
		-		-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>		\$ -			\$ -	\$ -
		-			-	-
		-			-	-
		-			-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>June</i>	IndusPAD-Flair LLC		\$ 56,033		\$ -	\$ 56,033
	Harmony Hills			500		500
	Jankow	1,500	-	-		1,500
						-
	TOTAL	\$ 1,500	\$ 56,033	\$ 500	\$ -	\$ 58,033
<i>July</i>	TRPS Lark	\$ -		\$ 500	\$ -	\$ 500
	144 State Street	1,500				1,500
						-
						-
	TOTAL	\$ 1,500	\$ -	\$ 500	\$ -	\$ 2,000
<i>August</i>	Renaissance Corp	\$ -		\$ 500	\$ -	\$ 500
	40 North Pearl Street		\$ 81,530	-		81,530
				-		-
				-		-
	TOTAL	\$ -	\$ 81,530	\$ 500	\$ -	\$ 82,030
<i>September</i>	102 Hackett	\$ 1,500				1,500
	324 State Street			\$ 1,500		1,500
	563 New Scotland			\$ 500		500
	Lofts at Pine Hills			\$ 500		500
	16 Sheridan avenue			\$ 500		500
	1211 Western			\$ 500		500
	144 State - Consulting service				5,000	5,000
	324 State Street - consulting service				3,500	3,500
	705 Broadway hotel			500		500
	TOTAL	\$ 1,500	\$ -	\$ 4,000	\$ 8,500	\$ 14,000
<i>October</i>	324 State Street		\$ 65,000			65,000
						-
						-
						-
	TOTAL	\$ -	\$ 65,000	\$ -	\$ -	\$ 65,000
<i>November</i>	144 State Street		35,000			35,000
						-
						-
						-
	TOTAL	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000
<i>December</i>	102 Hackett	\$ -	\$ 43,000	-	-	43,000
		-			-	-
						-
						-
	TOTAL	\$ -	\$ 43,000	\$ -	\$ -	\$ 43,000
	2023 TOTAL	\$ 4,500	\$ 615,022	\$ 17,500	\$ 8,500	\$ 645,522

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 324 State Street, LLC - IDA Application Summary
DATE: September 8, 2023

Applicant: 324 State Street, LLC

Managing Members (% of Ownership): Ryan Jankow (100%)

Project Location: 324 State St, Albany, NY

Project Description: The project involves the redevelopment of an existing +/-40,000 SF commercial building into approx. 29 market rate apartment units.

Estimated Project Real Property Benefit Summary (20 Years):

Scenario A (Project Does Not Include Use of Historic Tax Credit Program):

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$0.00	\$1,265,455	\$1,265,455

Estimated Project Real Property Benefit Summary (15 Years):

Scenario B (Project Does Include Use of Historic Tax Credit Program):

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$0.00	\$1,174,692	\$1,174,692

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$700,000	\$1,773,600	\$1,073,600

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 6-29-23*

***Note: While assessed at \$3,183,800, the property has been on the wholly exempt portion of the tax roll due to the status of the previous owner.*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$140,059 based on an assessed value of **\$1,773,600** and an annual tax rate of \$78.97.

Estimated Investment: \$6,500,000

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Identified Priority:* The proposed project is located on a parcel designated as tax exempt; the project results in the rehabilitation/renovation of a building located within a historic district and at least 50 years old.
- *Identified Growth Area:* The proposed project consists of the conversion of an existing commercial structure into residential rental units.
- *Job Creation:* The project is committing to the creation of two (2) new permanent full-time equivalent jobs and the creation of twenty (20) construction jobs.
- *Investment:* The project is anticipating a project cost of \$6.5 million.
- *Community Commitment:* The project commits to utilizing Regional Labor and City of Albany Labor.

Employment Impact Analysis:

Temporary (Construction 2024) Impact

Impact Type	Avg. Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	21.87	\$552,703	\$1,244,469	\$4,189,931
Indirect Effect	7.52	\$522,895	\$917,967	\$1,491,004
Induced Effect	2.98	\$193,073	\$346,474	\$543,639
Total Effect	32.37	\$1,268,671	\$2,508,910	\$6,224,573

Permanent (Operations 2025) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	1	\$62,983	\$22,448	\$51,618
Indirect Effect	0.15	\$11,303	\$16,714	\$27,944
Induced Effect	0.16	\$10,394	\$18,665	\$29,292
Total Effect	1.31	\$84,680	\$57,827	\$108,854

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 8-28-2023. Of note: IMPLAN represents average annual construction jobs over the duration of construction.*

Employment Impact:

- Projected Permanent: 2 jobs
- Projected Retained: 0 jobs
- Projected Construction: 20 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$3,850,000

Estimated Total Mortgage Amount: \$5,000,000

Requested PILOT: The proposal entails the Applicant entering into a bifurcated PILOT agreement with the IDA which deviates from the Project Evaluation and Assistance Framework abatement guidelines for multi-fam commercial projects. The trigger for the bifurcation of the PILOT agreement is the approval for NYS/Federal historic tax credits which may occur post-closing. Please see staff PILOT analysis for further detail.

Third Party Review: Due to the deviation in requested assistance from the Project Evaluation & Assistance Framework, a third-party evaluation of the appropriateness of the applicant's PILOT request has been received and reviewed by staff. The third party determined that the assumptions included within the application in addition to the abatements requested were necessary and within reasonable parameters.

Cash on cash return is a simple and straightforward method to calculate return on investments that involve long-term debt borrowing. We use this as our baseline analysis metric to keep comparisons consistent and variables limited across projects. The third-party analysis relies on the internal rate of return method due to its advantage of including the time value of money and property appreciation. Calculating the internal rate of return is more complicated because it requires the projection future of cash flows of the investment, including the sale of the investment at the end of the holding period. This analysis provides a more in-depth and project-specific measurement of anticipated return to review in conjunction with the straightforward cash-on-cash method.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$308,000
- Mortgage Recording Taxes: \$50,000
- Real Property Taxes:
 - Scenario A: \$1,024,707
 - Scenario B: \$455,308
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: Approved in August 2023
- Meets Project Use Definition: Yes
- Meets "But For" Requirement: Yes, affidavit signed.

Cost Benefit Analysis: See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

Estimated IDA Fee

- Fee amount: \$65,000.00

CAIDA Mission: Assist in the enhancement and diversity of the economy of the City of Albany (the "City") by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
324 STATE STREET LLC PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: 324 State Street LLC, a New York State limited liability company (the “Company”).
2. The Project:
 - (A) Acquisition of Land and Facility: the acquisition of an interest in an approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the “Land”) together with the existing approximately 40,000 square foot building located thereon (the “Facility”).
 - (B) Construction: 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 (collectively, the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”).
 - (D) Use: The Project Facility will constitute an approximately 29 unit multifamily residential housing facility to be owned and operated by the Company.

II. PRIOR ACTION ON PROJECT:

3. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on August 17, 2023.
 - (B) Public Hearing:
 - (1) Resolution Mailed to Affected Taxing Jurisdictions: August 17, 2023.
 - (2) Notice Mailed to Affected Taxing Jurisdictions: August 21, 2023.
 - (3) Date Posted: August 28, 2023.
 - (4) Date Published: August 28, 2023 in the Albany Times Union.
 - (5) Date of Public Hearing: September 13, 2023.
 - (6) Location of Public Hearing: 21 Lodge Street in the City of Albany, Albany County, New York.

III. PROPOSED AGENCY ACTION ON SEPTEMBER 21, 2023:

4. SEQR Resolution: Confirming the City of Albany Planning Board as Lead Agency with respect to the Project under SEQRA and concurring with the determination of the City of Albany Planning Board that the acquisition, installation, reconstruction and renovation of the Project constitutes a “Type II” action as defined under SEQRA (as such quoted term is defined in the Regulations).
5. Commercial/Retail Findings Resolution: Determining the Project is a “commercial project”. Retail located in a distressed area.
6. Pilot Deviation Approving Resolution: See 10(B) below for specifics.
7. Approving Resolution: Approving the Project and the proposed financial assistance
8. Mayor’s Approval: Anticipated Fourth Quarter, 2023.

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTIONS:

9. Relationship of Agency to Company: The Company, on behalf of the Agency, will acquire, reconstruct, renovate and install the Project Facility and the Agency will lease the Project Facility to the Company pursuant to the Lease Agreement.
10. Business Terms:
 - (A) The Agency fee is \$65,000 (1% of Project costs of \$6,500,000).
 - (B) The Agency and the Company will enter into a payment in lieu of tax agreement which will provide for either a 15 or 20 year term that is set to begin after the completion of construction of the Project Facility, as described in the PILOT Deviation Letter.
11. Basic Documents:
 - (A) Underlying Lease.
 - (B) License Agreement.
 - (C) Bill of Sale to Agency.
 - (D) Lease Agreement.
 - (E) Payment in Lieu of Tax Agreement.
 - (F) Section 875 GML Recapture Agreement.
 - (G) Uniform Agency Project Agreement.
12. Proposed Closing Date: Fourth Quarter, 2023.
13. Agency Special Counsel: Hodgson Russ LLP, Albany, New York.

**RESOLUTION CONFIRMING SEQR DETERMINATION
324 STATE STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-_____

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE CITY OF
ALBANY PLANNING BOARD, AS LEAD AGENCY FOR THE ENVIRONMENTAL
REVIEW OF THE 324 STATE STREET LLC PROPOSED PROJECT.**

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

Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 324 State Street LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, 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 an approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the “Land”) together with the existing approximately 40,000 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 (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 29 unit multifamily residential housing facility; (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 August 17, 2023 (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 August 21, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 28, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 City of Albany Planning Board (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 August 1, 2023 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, renovation, reconstruction and installation of the Project Facility constitutes a “Type II action” under SEQRA (as such quoted term is defined in the Regulations); 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 acquisition, renovation, reconstruction and installation of the Project Facility constitutes a “Type II action” under SEQRA (as such quoted term is defined in the Regulations) 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 acquisition, renovation, reconstruction and installation of the Project Facility constitutes a “Type II action” under SEQRA (as such quoted term is defined in the Regulations).

Section 3. The members 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

Secretary

(SEAL)

EXHIBIT A

NEGATIVE DECLARATION



NOTIFICATION OF LOCAL ACTION
DECISION OF THE PLANNING BOARD

RECEIVED
2023 AUG 15 PM 5:18
OFFICE OF THE CITY CLERK
ALBANY, N.Y.

PROJECT NUMBER: P00532
CASE NUMBER(S): DPR #0174

ADDRESS: 324 State Street
TAX ID #: 76.24-1-35
ZONING DISTRICT: R-T (Residential Townhouse)
OVERLAY DISTRICTS: Historic Resource Overlay (HR-O); Combined Sewer Overlay (CS-O)
TOTAL ACREAGE: .33 Acres (14,299 Square Feet)

REQUEST: Major Development Plan Review - §375-505(3)(a)(i)F

PROJECT DESCRIPTION: Conversion of a 40,740± square foot building at the premises to a multi-unit dwelling with 29 dwelling units.

PROJECT APPLICANT: 324 State Street, LLC
363 Ontario St
Albany, NY 12208

DATE OF DECISION: August 1, 2023

DECISION: APPROVED WITH CONDITIONS

CONDITIONS:

1. Trash shall be contained in the interior trash room shown on the floor plans at all times. A private hauler shall be responsible for removing the trash and returning the bins to the trash room. No refuse or recycling shall be stored outside the building except for scheduled pickup. Frequency of pickup shall be no less than twice a week.
2. Prior to the issuance of the Building Permit, the site plans shall be updated to include details for the screening of roof-mounted mechanical equipment, per §375-406(8)(b) of the USDO.
3. Prior to the issuance of the Building Permit, a Right-of-Way application, as required by Department of General Services, shall be submitted, and approved.
4. Prior to the issuance of the Building Permit, Street Opening Permits, as required by Department of General Services, shall be submitted, and approved.

5. Prior to the issuance of the Building Permit, the Maintenance & Protection of Traffic Plan shall be submitted to the Division of Traffic Engineering Unit for approval.
6. The applicant shall enter into the Universal Access Agreement with the Capital District Transportation Authority (CDTA) for the residents of 324 State Street.

FACTS:

1. Application documents and supplemental filings of the applicant as of the date of this decision, as evidenced in the digital record for Project #00532
2. All plans, renderings, analyses and reports received as of the date of this decision, as evidenced in the digital record for Project #00532
3. All written correspondence received as of the date of this decision, as evidenced in the digital record for Project #00532

FINDINGS:

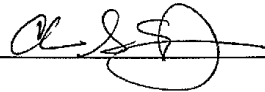
Based upon review of the complete record for DPR #0174, the Planning Board finds that the proposed development:

1. Will not create significant adverse impacts on the surrounding neighborhood, or any significant adverse impacts will be limited to a short period of time;
2. Will not create risks to public health or safety;
3. Is consistent with the Comprehensive Plan;
4. Is consistent with any provisions of this Unified Sustainable Development Ordinance and the Albany City Code; and
5. Is not subject to any requirements or conditions of any prior development permits or approvals related to the property.
6. Is a Type II action under SEQRA pursuant to 6CRR-NY 617.5(c)(18).

VOTE:

Approval:	3	Ellis:	Y
Against:	0	Gailliard:	Y
Abstain:	0	Hull:	Y

I, Christopher Ellis Jr. 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 August 1, 2023.

Signature: _____

► Important Notes: 1. This approval is subject to the approved plan set as stamped and approved by the Chief Planning Official. 2. This is not a building permit. All building permits must be approved and issued by the Division of Building & Regulatory Compliance prior to the start of any construction. Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within one (1) year of the date of signature.

**COMMERCIAL/RETAIL FINDINGS RESOLUTION
324 STATE STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-_____

RESOLUTION (A) DETERMINING THAT THE PROPOSED 324 STATE STREET LLC PROJECT IS A COMMERCIAL PROJECT AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.

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

Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 324 State Street LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, 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 an approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the “Land”) together with the existing approximately 40,000 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 (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 29 unit multifamily residential housing facility; (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 August 17, 2023 (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 August 21, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 28, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 September 21, 2023 (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 August 1, 2023 (the “Negative Declaration”), in which the Planning Board determined that the acquisition, installation, reconstruction and renovation of the Project constitutes a “Type II” action as defined under SEQRA; 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) Albany 2030 Alignment; and

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 Company has represented to the Agency that (i) the Project is located within census tract 11 in the City of Albany which is contiguous to distressed census tracts 1 and 2.02, as that term is defined in Section 854(18) of the Act and therefore is located within a “highly distressed area”, and (ii) completion of the Project will serve the public purposes of the Act by increasing the overall number of permanent, private sector jobs in the State of New York; 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 Project Qualification Documents makes the following comments/findings regarding housing in the City of Albany:

- Encourage investment in urban land and buildings for employment and housing

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

D. The Company has informed the representatives of the Agency that the Project will result in the expansion of the local consumer base which will increase support for local business and employers.

E. The Company has informed the Agency that the Project is expected to create approximately 2 full-time equivalent jobs and approximately 20 construction jobs.

F. 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION
324 STATE STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-_____

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 PROJECT FOR 324 STATE STREET LLC (THE “COMPANY”).

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

of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 324 State Street LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, 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 an approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the “Land”) together with the existing approximately 40,000 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 (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 29 unit multifamily residential housing facility; (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 August 17, 2023 (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 August 21, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 28, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023

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 to comply with the requirements of Section 859-a of the Act; 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 September 21, 2023 (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 August 1, 2023 (the “Negative Declaration”), in which the Planning Board determined that the acquisition, installation, reconstruction and renovation of the Project constitutes a “Type II” action as defined under SEQRA (as such quoted term is defined in the Regulations); 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 August 31, 2023 (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 City and each city, town, village and school district in which the Project Facility is to be 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 August 31, 2023, the Chief Executive Officer of the Agency caused a copy of the Pilot Deviation Letter to be sent 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 Chair (or Vice Chair) of the Agency, the Chair (or Vice Chair) 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 Chair (or Vice Chair), the execution thereof by the Chair (or Vice Chair) 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

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
Fax: 518-434-9846

August 31, 2023

Honorable Daniel P. McCoy, County Executive
Albany County
112 State Street, Room 1200
Albany, New York 12207

Joseph Hochreiter, Superintendent
Albany City School District
1 Academy Park
Albany, New York 12207

Honorable Kathy Sheehan, Mayor
City of Albany
24 Eagle Street, Room 102
Albany, New York 12207

Vickie Smith, School Board President
Albany City School District
1 Academy Park
Albany, New York 12207

Jedda Ray-Gayle, District Clerk
Albany City School District
1 Academy Park
Albany, New York 12207

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Albany Industrial Development Agency in connection with its
Proposed 324 State Street LLC Project

Dear Ladies and Gentlemen:

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

The City of Albany Industrial Development Agency (the "Agency") received an application (the "Application") from 324 State Street 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 approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the "Land") together with the existing approximately 40,000 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 (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 29 unit multifamily residential housing facility; (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

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Jedda Ray-Gayle, District Clerk
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Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency (the "Pilot Request"). Pursuant to the Pilot Request, the Agency would (A) enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms are described below and (B) provide the mortgage recording tax abatement. The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed Pilot Agreement will be bifurcated and provide that the Company be granted either a twenty (20) year or fifteen (15) 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, which option is dependent on the Company obtaining historic tax credits on the Project. Under the terms of the Proposed Pilot Agreement, the Company will pay (A) a base payment equal to one hundred percent (100%) of the normal taxes due on the site of the Project (the "Base Pilot Payment"), 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:

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20-YEAR TERM
(NO historic tax credits)

Years	Amount of Abatement on Increased Assessment
1	90%
2	90%
3	90%
4	90%
5	90%
6	90%
7	90%
8	90%
9	90%
10	90%
11	85%
12	80%
13	70%
14	65%
15	65%
16	60%
17	55%
18	50%
19	45%
20	40%
21 and thereafter	0%

As noted in the table above, the abatement schedule is 20 years, with Year 1 of the abatement schedule beginning in the year following the completion of the construction of the Project. Currently the construction period is estimated to be for two (2) years.

For purposes of computing the Base Pilot Payment with respect to the Project Facility, the base assessed value will be equal to the current assessed value of the Project site, as determined by the Assessor of the City of Albany.

Beginning in Year 13 of the abatement schedule, the Proposed Pilot Agreement will also provide that the amount of payments in lieu of taxes payable by the Company will be the greater of (A) the amount determined in accordance with the above paragraph, or (B) an amount equal to 11.5% of the gross rental revenue generated at the Project Facility.

15-YEAR TERM
(WITH historic tax credits)

Years	Amount of Abatement on Increased Assessment
1	90%
2	90%
3	80%
4	75%
5	65%
6	55%
7	50%
8	45%
9	40%
10	35%
11	30%
12	25%
13	20%
14	15%
15	10%
16 and thereafter	0%

As noted in the table above, the abatement schedule is 15 years, with Year 1 of the abatement schedule beginning in the year following the completion of the construction of the Project. Currently the construction period is estimated to be for two (2) years.

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The Policy provides that, for a facility similar to the Project Facility, (A) the 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, (B) 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 and (C) the mortgage recording tax would not be abated, unless the Agency deviated from its policy with respect to the payment by the Company of real property taxes.

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 September 21, 2023 at 12:15 o'clock p.m., local time at the offices of the Agency located at 21 Lodge Street, Albany, New York (the "Meeting"). As described later in this letter, during the meeting on September 21, 2023, the Agency will review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

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

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

1. **The nature of the Project:** The renovation and reconstruction of an approximately 40,000 square foot commercial building into a 29 unit multi-family residential apartment housing facility.
2. **The present use of the property:** The Land is currently tax exempt and the Facility is currently vacant.
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 considered to be distressed. The Project Facility is to be located within census tract 14, which is contiguous to distressed census tracts 6 and 8. Therefore, the area is strategically targeted for adding commercial/retail/residential development, based on the presence of vacant or underutilized buildings/real estate. This development is consistent with the Albany 2030 Plan.
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 Company anticipates that the Project will create 20 construction jobs during the course of the development of the Project Facility and 2 full-time equivalent permanent jobs during the first year of the Project's operation.

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5. **The estimated value of new tax exemptions to be provided:** The estimated value of the tax exemptions to be provided are the following: \$308,000 in sales and use taxes; \$50,000 in mortgage recording taxes; and with no historic tax credits: \$1,024,707; with historic tax credits: \$455,308 in real property taxes.

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The economic impact of the Proposed Pilot Agreement is positive as development of the Project Facility as it encourages investment in urban land and buildings for employment and housing in the area 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 Project will increase the consumer base to support local business and employers. The Project will have a positive revitalizing effect on the community by developing an older property in a strategically identified neighborhood location. The Project meets the intent and furthers the implementation of following the City of Albany strategic initiatives of Albany 2030.

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 \$6,500,000.

9. **The effect of the Proposed Pilot Agreement on the environment:** It is not anticipated that the Project will 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 significant 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:** It is anticipated that there will likely be additional sales tax revenues after Project completion relating to certain future operating activities at the Project and related multiplier impacts.

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 Project aligns with the continuing development of the City of Albany strategic initiatives of Albany 2030 including: encouraging investment in urban land and buildings for employment and housing.

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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.

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

Sincerely yours,

By: /s/ Sarah Reginelli
Sarah Reginelli,
Chief Executive Officer

**APPROVING RESOLUTION
324 STATE STREET LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-_____

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 324 STATE
STREET LLC (THE “COMPANY”).**

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

assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 324 State Street LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, 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 an approximately 0.33 acre parcel of land located at 324 State Street (tax map no.: 76.24-1-35) in the City of Albany, Albany County, New York (the “Land”) together with the existing approximately 40,000 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 (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 29 unit multifamily residential housing facility; (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 August 17, 2023 (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 August 21, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 28, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 September 21, 2023 (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 August 1, 2023 (the “Negative Declaration”), in which the Planning Board determined that the acquisition, installation, reconstruction and renovation of the Project constitutes a “Type II” action as defined under SEQRA (as such quoted term is defined in the Regulations); and

WHEREAS, by further resolution adopted by the members of the Agency on September 21, 2023 (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 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 Project; and

WHEREAS, by resolution adopted by the members of the Agency on September 21, 2023 (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, 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 the City of Albany, New York and (B) while the completion of the Project Facility will not result in the removal of a plant or facility of the Company or an occupant of the Project Facility from one area of the State of New York to another area of 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 the City of Albany, New York by undertaking the Project in the 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 uniform agency project agreement (the "Uniform Agency Project Agreement") by and between the Agency and the Company regarding the granting of the financial assistance and the potential recapture of such assistance; (F) 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; (G) 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; (H) 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"); (I) 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"); (J) if the Company requests the Agency to appoint a contractor or contractors, as agent(s) of the Agency (each, a "Contractor") (1) a certain agency indemnification agreement (the "Contractor Agency and Indemnification Agreement") by and between the Agency and the Contractor, (2) a certain recapture agreement (the "Contractor Section 875 GML Recapture Agreement") by and between the Agency and the Contractor, (3) a sales tax exemption letter (the "Contractor Sales Tax Exemption Letter"), and (4) a Thirty-Day Sales Tax Report (the "Contractor 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") (collectively, the "Contractor Documents"); (K) if the Company intends to request the Agency to appoint (1) the Company, as agent of the Agency and (2) a contractor or contractors, as agent(s) of the Agency prior to closing on the Project and the Lease Agreement, agency and indemnification agreements, interim Section 875 GML recapture agreements, interim sales tax exemption letters and interim thirty-day sales tax reports (collectively, the "Interim Documents"); and (L) 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 Agency Counsel to the Agency with respect to all matters in connection with the Project. Special Agency 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 Agency 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 the 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 \$6,500,000.00;

(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/services to customers who personally visit such facilities constitutes more than one-third of the total project cost, the Company has represented to the Agency that (i) the Project is located within census tract 11 in the City of Albany which is contiguous to distressed census tracts 1 and 2.02, as that term is defined in Section 854(18) of the Act and therefore is located within a distressed census tract and (ii) completion of the Project will serve the public purposes of the Act by increasing the overall number of permanent, private sector jobs in the State of New York;

(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 the 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;

(I) The Project should receive the Financial Assistance in the form of exemptions from sales tax, real property tax and mortgage recording tax based on an evaluation of the Project based on the Agency’s Uniform Criteria for the Evaluation of the Projects Policy and the description of expected public benefits to occur as a result of this Project, as described on Exhibit A attached hereto; and

(J) It is desirable and in the public interest for the Agency to enter into the Agency Documents, except that for the Interim Documents, the following conditions shall be met prior to the Agency entering into the Interim Documents: (1) the term of the Interim Documents shall not exceed sixty (60) days, unless future extensions are consented to by the Agency in writing, (2) the Company shall have paid the Agency’s administrative fee, (3) the Company and any contractors shall have delivered evidence of adequate insurance coverage protecting the Agency and (4)

execution by the other parties thereto and delivery of the same to the Agency of the Interim 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; (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) enter into the Uniform Agency Project Agreement; (G) enter into the Contractor Documents; (H) enter into the Interim Documents, subject to compliance with Section 3(J) above; (I) secure the Loan by entering into the Mortgage; and (J) 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, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved; 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 Chair (or Vice Chair) 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 Chair (or Vice Chair) 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 Chair (or Vice Chair) shall approve, the execution thereof by the Chair (or Vice Chair) to constitute conclusive evidence of such approval.

(B) The Chair (or Vice Chair) 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

Secretary

(SEAL)

EXHIBIT A

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

324 State Street, 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 the 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 Center Square neighborhood, 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 Center Square, thereby promoting the creation of new permanent jobs.</p> <p>The Project will create 2 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: \$308,000 Mortgage Recording Tax Exemption: \$50,000 Real Property Tax Exemption (Scenario A): \$1,024,707 Real Property Tax Exemption (Scenario B): \$455,308</p>
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project applicant expects to invest approx. \$6.5 million of private investment in the Project.</p>
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 received full City of Albany Planning Board approvals in August 2023.</p> <p>The Applicant has signed a purchase option for the property.</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 assessed value (the property is currently wholly exempt per City of Albany Commissioner of Assessment and Taxation 2023 Assessment Roll) to the estimated improved total assessment: \$1,773,600 (Per City of Albany Commissioner of Assessment and Taxation).</p>

7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The Project commits to utilizing 90% Regional Labor for construction jobs.</p> <p>The Project commits to utilizing 15% City of Albany Labor for construction jobs.</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 underutilized structure in a strategically identified location within the Center Square neighborhood.</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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TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 144 State Street, LLC - IDA Application Summary
DATE: September 8, 2023

Applicant: 144 State Street, LLC and 144 Real Estate Properties, Inc.

Managing Members (% of Ownership): Joseph Nicolla (69%), Richard Rosen (8%), Brandon Stabler (3%) and minority investors (20%).

Project Location: 144 State St, Albany, NY

Background: In 2014, the IDA approved financial assistance in the form of sales, mortgage recording and real property tax abatements for the historic redevelopment of the long-vacant former DeWitt Clinton hotel at 144 State Street. The +/- 180,000 SF hotel features 203 rooms, a full-service restaurant, banquet, and event space. The hotel facilities/parking garage connect with the Albany Capital Center and Times Union Center via an enclosed climate-controlled walkway. The Project Beneficiary is proposing a \$3.5 million new investment to the project and requesting an amendment to its PILOT agreements providing additional assistance to move forward with the project and maintain hotel operations consistent with the hotel's brand given financial hardships inflicted upon the Project's financial performance given the COVID-19 pandemic, combined with the inflated costs of materials and project-specific labor cost escalations.

Project Description: The current project involves the renovation of the existing Renaissance Hotel by Marriott consisting of improvements to the public spaces and guestrooms.

Estimated Project Real Property Benefit Summary:

Original Project Anticipated Benefits:

	Status Quo Taxes (no project) Non-Homestead Rate (over 15 years)	Project Impact PILOT Payments (over 15 years)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$773,128	\$4,942,459	\$4,169,331

Anticipated Benefits Including New Request:

	Status Quo Taxes (no project) Non-Homestead Rate (over 20 years)	Project Impact PILOT Payments (over Original 15 year term)	Project Impact PILOT Payments (over new additional term)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$1,084,581	\$4,156,678	\$3,458,505	\$6,530,602

	Pre-Project Value	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$1,000,000	\$15,710,943	\$15,710,943	\$0

*Status quo: original taxes based on unimproved 2015 value; PILOT payments 2024-35

***Property Value based on successful tax certiorari dated 6-16-23*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$1,038,139 based on an assessed value of **\$15,710,943** and an annual tax rate of \$66.08.

Estimated Investment: \$3,500,000

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Target Geography:* The project is located downtown; the project is located within a BID; the project is located within a neighborhood plan.
- *Identified Priority:* The proposed project results in the retention of hospitality sector facilities as well as the creation/retention of permanent jobs within the City of Albany.
- *Identified Growth Area:* The proposed project consists of the conversion of an existing commercial structure into residential rental units.
- *Job Creation:* The project is committing to the retention of ninety-one (91) permanent full-time equivalent jobs and the creation of eighteen (18) construction jobs.
- *Investment:* The project is anticipating a project cost of \$3.5 million.

Employment Impact Analysis:

Temporary (Construction 2024-2025) Impact

Impact Type	Avg. Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	19.83	\$675,891	\$1,187,222	\$3,479,247
Indirect Effect	5.1	\$383,888	\$669,516	\$1,106,423
Induced Effect	2.87	\$185,896	\$333,614	\$523,469
Total Effect	27.8	\$1,245,675	\$2,190,352	\$5,109,138

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 8-28-2023. Of note: IMPLAN represents average annual construction jobs over the duration of construction.*

Employment Impact:

- Projected Permanent: 0 jobs
- Projected Retained: 91 jobs
- Projected Construction: 18 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,800,000

Estimated Total Mortgage Amount: \$0

Requested PILOT: The proposal entails the Applicant entering into a PILOT agreement with the IDA which deviates from the Project Evaluation and Assistance Framework abatement guidelines for commercial/retail space. Please see staff PILOT analysis for further detail.

Third Party Review: Due to the deviation in requested assistance from the Project Evaluation & Assistance Framework, a third-party evaluation of the appropriateness of the applicant's PILOT request has been received and reviewed by staff. The third party determined that the assumptions included within the application in addition to the abatements requested were necessary and within reasonable parameters.

Cash on cash return is a simple and straightforward method to calculate return on investments that involve long-term debt borrowing. We use this as our baseline analysis metric to keep comparisons consistent and variables limited across projects. The third-party analysis relies on the internal rate of return method due to its advantage of including the time value of money and property appreciation. Calculating the internal rate of return is more complicated because it requires the projection future of cash flows of the investment, including the sale of the investment at the end of the holding period. This analysis provides a more in-depth and project-specific measurement of anticipated return to review in conjunction with the straightforward cash-on-cash method.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax (new request): \$224,000
- Mortgage Recording Taxes (new request): \$0
- Real Property Taxes:
 - Total over duration of assistance: \$11,705,505 ¹
 - Net new with this request: \$2,005,233 (estimated)
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: Expected 3Q 2023
- Meets Project Use Definition: Yes
- Meets "But For" Requirement: Yes, affidavit signed.

Cost Benefit Analysis: See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

Estimated IDA Fee

- Fee amount: \$35,000.00

CAIDA Mission: Assist in the enhancement and diversity of the economy of the City of Albany (the "City") by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.

¹ Original 2014 PILOT Agreement approved an estimated \$9.7 million of real property tax abatement.

DRAFT

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: 144 State Street LLC, a State of New York limited liability company and 144 Real Estate Properties, Inc. a State of New York business corporation (collectively, the “Company”).
2. The Project:
 - (A) Acquisition of Land and Facility: the acquisition of a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”) together with an existing approximately 180,000 square foot building located thereon (the “Facility”).
 - (B) Construction: 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 (collectively, the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”).
 - (D) Use: The Project Facility will constitute a hotel facility.

II. PRIOR ACTION ON PROJECT:

3. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on August 17, 2023.
 - (B) Public Hearing:
 - (1) Resolution Mailed to Affected Taxing Jurisdictions: August 17, 2023.
 - (2) Notice Mailed to Affected Taxing Jurisdictions: August 24, 2023.
 - (3) Date Posted: August 28, 2023.
 - (4) Date Published: August 31, 2023 in the Albany Times Union.
 - (5) Date of Public Hearing: September 13, 2023.
 - (6) Location of Public Hearing: 21 Lodge Street in the City of Albany, Albany County, New York.

III. PROPOSED AGENCY ACTION ON SEPTEMBER 21, 2023:

4. SEQR Resolution: Determining (A) pursuant to Sections 617.5(c)(2) and 617.5(c)(31) of the Regulations, the Project is a “Type II action” (as said quoted term is defined in the Regulations) and (B) no environmental impact statement or any other determination or procedure is required under the Regulations.
5. PILOT Deviation Approving Resolution: See 9(B) below for specifics.
6. Approving Resolution: Approving the Project and the proposed financial assistance

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTIONS:

7. Relationship of Agency to Company: The Company, on behalf of the Agency, will acquire, reconstruct, renovate and install the Project Facility and the Agency will lease the Project Facility to the Company pursuant to the Lease Agreement.
8. Business Terms:
 - (A) The Agency fee is \$35,000 (1% of Project costs of \$3,500,000).
 - (B) The Agency and the Company will enter into a payment in lieu of tax agreement, one which provides for an extension of the existing Payment in Lieu of Tax Agreement dated as of March 1, 2014, for a 12-year term, as described in the PILOT Deviation Letter.
9. Basic Documents:
 - (A) Amended and Restated Underlying Lease.
 - (B) Amended and Restated License Agreement.
 - (C) Bill of Sale to Agency.
 - (D) Amended and Restated Lease Agreement.
 - (E) Amended and Restated Payment in Lieu of Tax Agreement.
 - (F) Section 875 GML Recapture Agreement.
 - (G) Uniform Agency Project Agreement.
10. Proposed Closing Date: Fourth Quarter, 2023.
11. Agency Special Counsel: Hodgson Russ LLP, Albany, New York.

SEQR RESOLUTION

144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. PROJECT

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-____

RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF 144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. IS A “TYPE II ACTION” AND NO FURTHER ACTION IS REQUIRED UNDER SEQRA WITH RESPECT THERETO.

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

Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 144 State Street LLC, a New York State limited liability company and 144 Real Estate Properties, Inc., a New York State business corporation (collectively, the “Company”), submitted 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 a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”) together with an existing approximately 180,000 square foot building located thereon (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible 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 a hotel; (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 August 17, 2023 (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 August 24, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 31, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17,

2023 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 to comply with the requirements of Section 859-a of the Act; and

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

WHEREAS, to aid the Agency in determining whether the Project may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an environmental assessment form (the “EAF”) with respect to the Project, a copy of which EAF was presented to and reviewed by the Agency at this meeting and a copy of which is on file at the office of the Agency; and

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

WHEREAS, the Project appears to constitute a “Type II action” (as said quoted term is defined in the Regulations), and therefore it appears that no further determination or procedure under SEQRA is required 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 EAF submitted to the Agency by the Company with respect thereto (collectively, the “Reviewed Documents”) and, based upon said Reviewed Documents and the representations made by the Company to the Agency at this meeting, and based further upon the Agency’s knowledge of the area surrounding the Project Facility and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

(A) The project (the “Project”) consists of the following: (A) (1) the acquisition of a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”) together with an existing approximately 180,000 square foot building located thereon (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible 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 a hotel; (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

(B) The Project consists of the reconstruction and renovation of a structure or facility, in kind, on the same site and the purchase of equipment.

Section 2. Based upon the foregoing, the Agency makes the following findings and determination with respect to the Project:

(A) Pursuant to Sections 617.5(c)(2) and 617.5(c)(31) of the Regulations, the Project is a “Type II action” (as said quoted term is defined in the Regulations); and

(B) Therefore, the Agency hereby determines that no environmental impact statement or any other determination or procedure is required under the Regulations.

Section 3. The Chief Executive Officer of the Agency is hereby directed to file a copy of this Resolution with respect to the Project in the office of the Agency.

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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION
144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-____

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 PROJECT FOR 144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. (THE “COMPANY”).

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

of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 144 State Street LLC, a New York State limited liability company and 144 Real Estate Properties, Inc., a New York State business corporation (collectively, the “Company”), submitted 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 a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”) together with an existing approximately 180,000 square foot building located thereon (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible 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 a hotel; (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 August 17, 2023 (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 August 24, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 31, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of

the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 September 21, 2023, (the “SEQR Resolution”), the Agency determined that (A) pursuant to Sections 617.5(c)(2) and 617.5(c)(31) of the Regulations, the Project is a “Type II action” (as said quoted term is defined in the Regulations) and (B) no environmental impact statement of any other determination or procedure is required under the Regulations; 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 September 7, 2023 (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 City and each city, town, village and school district in which the Project Facility is to be 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 September 7, 2023, the Chief Executive Officer of the Agency caused a copy of the Pilot Deviation Letter to be sent 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 Chair (or Vice Chair) of the Agency, the Chair (or Vice Chair) 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 Chair (or Vice Chair), the execution thereof by the Chair (or Vice Chair) 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

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
FAX: 518-434-9846

September 7, 2023

Honorable Daniel P. McCoy, County Executive
Albany County
112 State Street, Room 1200
Albany, New York 12207

Joseph Hochreiter, Superintendent
Albany City School District
1 Academy Park
Albany, New York 12207

Honorable Kathy Sheehan, Mayor
City of Albany
24 Eagle Street, Room 102
Albany, New York 12207

Vickie Smith, School Board President
Albany City School District
1 Academy Park
Albany, New York 12207

Jedda Ray-Gayle, District Clerk
Albany City School District
1 Academy Park
Albany, New York 12207

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Albany Industrial Development Agency in connection with its
Proposed 144 State Street LLC and 144 Real Estate Properties, Inc. Project

Dear Ladies and Gentlemen:

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

The City of Albany Industrial Development Agency (the "Agency") has received an application from 144 State Street LLC, a New York State limited liability company and 144 Real Estate Properties, Inc., a New York State business corporation (collectively, the "Company"), 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 a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the "Land") together with an existing approximately 180,000 square foot building located thereon (the "Facility"), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible 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 a hotel; (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

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Honorable Daniel P. McCoy, County Executive
Honorable Kathy M. Sheehan, Mayor
Joseph Hochreiter, Superintendent
Vickie Smith, School Board President
Jedda Ray-Gayle, District Clerk
September 7, 2023
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(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.

Portions of the Project Facility were the subject of a previous project (the “Original Project Facility”), as described in a lease agreement dated as of March 1, 2014 (the “Lease Agreement”) by and between the Agency and 144 State Street LLC (the “Original Company”). Simultaneously upon the execution of the Lease Agreement, the Agency and the Original Company entered into a payment in lieu of tax agreement dated as of March 1, 2014 (the “Original Payment in Lieu of Tax Agreement”), pursuant to which, the Original Company agreed to pay the Agency certain payments in lieu of taxes with respect to the Original Project Facility for a term to end on the earlier to occur of (1) December 31, 2031 or (2) the date that the Lease Agreement shall terminate pursuant to Article X or Article XI thereof.

In connection with the Application, the Company has made a request to the Agency (the “Pilot Request”). Pursuant to the Pilot Request, the Agency would enter into an extension to the Original Payment in Lieu of Tax Agreement (the “Proposed Pilot Agreement”) which terms are described below. The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed Pilot Agreement will provide that the Company will be granted a five (5) year extension to the Original 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. The full term of the Proposed Payment in Lieu of Tax Agreement, as extended, would be for twelve (12) years. Under the terms of the Proposed Pilot Agreement, the Company will pay (A) a base 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”, the Improvements shall include the improvements under the Original Payment in Lieu of Tax Agreement, as well as the current improvements, such increased amount to be adjusted by the abatement as described as follows:

Years	Amount of Abatement on Increased Assessment
1	75%
2	75%
3	75%
4	75%
5	50%
6	50%
7	50%
8	50%
9	25%
10	25%

Honorable Daniel P. McCoy, County Executive
Honorable Kathy M. Sheehan, Mayor
Joseph Hochreiter, Superintendent
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September 7, 2023
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11	25%
12	25%
13 and thereafter	0%

As noted in the table above, the abatement schedule is 12 years, with Year 1 of the abatement schedule beginning the date of closing on the Proposed Pilot Agreement. Currently the reconstruction and renovation period is estimated to be approximately 18 – 24 months.

The Proposed Pilot Agreement would amend and restate the Original Payment in Lieu of Tax Agreement, which Original Payment in Lieu of Tax Agreement generally provides that the Original Company would make payments in lieu of property tax, based on a fixed assessed amount equal to \$1,000,000, as follows:

<u>Tax Year Commencing in Calendar Year</u>	<u>County/ City Percentage of Normal Tax on Assessed Value of the Improvements</u>	<u>School Percentage of Normal Tax on Assessed Value of the Improvements</u>
2015	N/A	N/A
2016	N/A	0%
2017	0%	0%
2018	0%	0%
2019	0%	0%
2020	0%	0%
2021	0%	25%
2022	25%	50%
2023	50%	50%
2024	50%	50%
2025	50%	50%
2026	50%	50%
2027	50%	50%
2028	50%	50%
2029	50%	50%
2030	50%	50%
2031	50%	100%
2032 and thereafter during the term of this Payment in Lieu of Tax Agreement	100%	100%

The Policy provides that, for a facility similar to the Project Facility, (A) the 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, (B) the amount of assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany and (C) the mortgage recording tax would not be abated, unless the Agency deviated from its policy with respect to the payment by the Company of real property taxes.

Honorable Daniel P. McCoy, County Executive
Honorable Kathy M. Sheehan, Mayor
Joseph Hochreiter, Superintendent
Vickie Smith, School Board President
Jedda Ray-Gayle, District Clerk
September 7, 2023
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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 September 21, 2023 at 12:15 o'clock p.m., local time at the offices of the Agency located at 21 Lodge Street, Albany, New York (the "Meeting"). As described later in this letter, during the meeting on September 21, 2023, the Agency will review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified.

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

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

1. The nature of the Project: The renovation and reconstruction of an existing 180,000 square foot building that is being operated as a hotel.

To maintain the hotel's operations consistent with the hotel's brand, the Pilot Request is needed due to the financial hardships inflicted upon the Project's financial performance given the COVID-19 pandemic, the inflated costs of materials and project specific labor cost escalations.

2. The present use of the property: The Project Facility is currently being operated as a hotel.

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 Project facility is currently located in census tract 11 which is contiguous to distressed census tracts 2.02 and 1. Therefore the area is strategically targeted for adding downtown commercial/retail/residential development.

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 is anticipated to increase the level of activity in the Downtown neighborhood, thereby promoting the retention of existing jobs. The Project is also anticipated to retain 91 new full-time equivalent jobs.

5. The estimated value of new tax exemptions to be provided: The estimated value of the tax exemptions are the following: \$224,000 in sales and use tax; and \$2,005,233 in (net new) real property tax.

Honorable Daniel P. McCoy, County Executive
Honorable Kathy M. Sheehan, Mayor
Joseph Hochreiter, Superintendent
Vickie Smith, School Board President
Jedda Ray-Gayle, District Clerk
September 7, 2023
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6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The economic impact of the Proposed Pilot Agreement is positive as development of the Project Facility is expected to increase the level of activity in the Downtown area. Which will support the creation and retention of job opportunities in the area.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The Project will increase the consumer base to support local business and employers by attracting a significant number of visitors from outside the Capital Region Economic Development Region.

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 \$3,500,000.

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 significant 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: It is anticipated that there will likely be additional sales tax revenues after Project completion relating to certain future operating activities at the Project and related multiplier impacts.

The Project is anticipated to result in an increase in assessed value from the original pre-project total assessment: \$1,000,000 (Per City of Albany Commissioner of Assessment and Taxation 2015 Assessment Roll) to the improved total assessment: \$15,710,943 (Per City of Albany Commissioner of Assessment and Taxation 2023 Assessment Roll).

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 Project aligns with the continuing development of the downtown area of the City of Albany by furthering the development of an industry that is an identified growth area.

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

Honorable Daniel P. McCoy, County Executive
Honorable Kathy M. Sheehan, Mayor
Joseph Hochreiter, Superintendent
Vickie Smith, School Board President
Jedda Ray-Gayle, District Clerk
September 7, 2023
Page 6

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.

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

Sincerely yours,

By: /s/ Sarah Reginelli
Sarah Reginelli,
Chief Executive Officer

APPROVING RESOLUTION

144 STATE STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. PROJECT

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-____

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 144 STATE
STREET LLC AND 144 REAL ESTATE PROPERTIES, INC. (THE “COMPANY”).**

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

assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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, 144 State Street LLC, a New York State limited liability company and 144 Real Estate Properties, Inc., a New York State business corporation (collectively, the “Company”), submitted 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 a continuing interest in an approximately 0.35 acre parcel of land located at 144 State Street (tax map no.: 76.33-1-14) in the City of Albany, Albany County, New York (the “Land”) together with an existing approximately 180,000 square foot building located thereon (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible 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 a hotel; (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 August 17, 2023 (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 August 24, 2023 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 August 28, 2023 on a public bulletin board located at the 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 August 31, 2023 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 September 13, 2023 at 12:15 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, (E) prepared a report of the Public Hearing (the “Public Hearing Report”) which fairly summarized 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 (F) caused a copy of the certified Public Hearing Resolution to be sent via certified mail return receipt requested on August 17, 2023 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 to comply with the requirements of Section 859-a of the Act; 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 September 21, 2023, (the “SEQR Resolution”), the Agency determined that (A) pursuant to Sections 617.5(c)(2) and 617.5(c)(31) of the Regulations, the Project is a “Type II action” (as said quoted term is defined in the Regulations) and (B) no environmental impact statement of any other determination or procedure is required under the Regulations; and

WHEREAS, by resolution adopted by the members of the Agency on September 21, 2023 (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, 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 the City of Albany, New York and (B) while the completion of the Project Facility 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 the City of Albany, New York by undertaking the Project in the 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 amended and restated lease to agency (the “Amended and Restated Lease to Agency” or the “Amended and Restated Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will continue to 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 amended and restated license agreement (the “Amended and Restated License to Agency” or the “Amended and Restated 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 Amended and Restated Lease Agreement (as hereinafter defined); (C) an amended and restated lease agreement (and a memorandum thereof) (the “Amended and Restated 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) an amended and restated payment in lieu of tax agreement (the “Amended and Restated 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 uniform agency project agreement (the “Uniform Agency Project Agreement”) by and between the Agency and the Company regarding the granting of the financial assistance and the potential recapture of such assistance; (F) 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; (G) 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; (H) 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"); (I) 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"); (J) if the Company requests the Agency to appoint a contractor or contractors, as agent(s) of the Agency (each, a "Contractor") (1) a certain agency indemnification agreement (the "Contractor Agency and Indemnification Agreement") by and between the Agency and the Contractor, (2) a certain recapture agreement (the "Contractor Section 875 GML Recapture Agreement") by and between the Agency and the Contractor, (3) a sales tax exemption letter (the "Contractor Sales Tax Exemption Letter") and (4) a Thirty-Day Sales Report (the "Contractor 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") (collectively, the "Contractor Documents"); (K) if the Company intends to request the Agency to appoint (1) the Company, as agent of the Agency and (2) a Contractor, as agent of the Agency prior to closing on the Project and the Lease Agreement, agency and indemnification agreements, interim Section 875 GML recapture agreements, interim sales tax exemption letters and interim thirty-day sales tax reports (collectively, the "Interim Documents"); and (L) 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 Agency Counsel to the Agency with respect to all matters in connection with the Project. Special Agency 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 Agency 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 the City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, reconstruction, renovation and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$3,500,000.00;

(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) The Project is likely to attract a significant number of visitors from outside the Tri-City economic development region, and therefore meets the definition of a “tourism destination” project within the meaning of Section 862(2)(a) of the Act. Accordingly, although facilities or projects that are primarily used in making 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 to the Project pursuant to Section 862(2)(a) of the Act;

(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 the 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;

(I) The Project should receive the Financial Assistance in the form of exemptions based on evaluation of the Project based on the Agency’s Uniform Criteria for Evaluation of Projects Policy and the description of expected public benefits to occur as a result of this Project, as described on Exhibit A attached hereto, and further:

(1) The Agency notes that a portion of the Financial Assistance relates to an abatement from real property taxes under a payment in lieu of tax agreement dated as of March 1, 2014 (the “PILOT Agreement”) previously entered into by the Agency with 144 State Street LLC;

(2) In connection with the undertaking of the Project, the Agency will amend and restate the PILOT Agreement to (a) extend the term of the abatement, and (b) increase the amount of the abatement during such term (collectively, the “Amendment”);

(3) The proposed Amendment has been subject to the deviation procedures of the Agency, and review and analysis by the Agency staff and the Agency’s third party consultant; and

(4) The proposed Amendment has been approved, pursuant to the PILOT Deviation Approval Resolution, following the Agency’s determination that a new investment constituting the Project (i.e., a new project) is being made by the Company, and that the completed review and analysis by the Agency staff and the Agency’s third party consultant demonstrated ongoing financial need; and

(J) It is desirable and in the public interest for the Agency to enter into the Agency Documents, except that for the Interim Documents, the following conditions shall be met prior to the Agency entering into the Interim Documents: (1) the term of the Interim Documents shall not exceed sixty (60) days, unless future extensions are consented to by the Agency in writing, (2) the Company shall have paid the Agency’s administrative fee, (3) the Company and any contractors

shall have delivered evidence of adequate insurance coverage protecting the Agency and (4) execution by the other parties thereto and delivery of the same to the Agency of the Interim Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the Amended and Restated License Agreement; (B) lease the Project Facility to the Company pursuant to the Amended and Restated Lease Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Amended and Restated Payment in Lieu of Tax Agreement; (E) enter into the Section 875 GML Recapture Agreement; (F) enter into the Uniform Agency Project Agreement; (G) enter into the Interim Documents, subject to compliance with Section 3(J) above; (H) secure the Loan by entering into the Mortgage; and (I) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the Amended and Restated License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Amended and Restated Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Amended and Restated Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chair (or Vice Chair) 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 Chair (or Vice Chair) 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 Chair (or Vice Chair) shall approve, the execution thereof by the Chair (or Vice Chair) to constitute conclusive evidence of such approval.

(B) The Chair (or Vice Chair) 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 Amended and Restated 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:

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

The foregoing 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 September 21, 2023 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 September, 2023.

Secretary

(SEAL)

EXHIBIT A

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

144 STATE STREET LLC & 144 REAL ESTATE PROPERTIES, INC. 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 the 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 neighborhood, thereby promoting the retention of existing jobs.</p> <p>The Project will retain 91 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 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 Neighborhood, thereby promoting the creation of new permanent 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: \$224,000 Mortgage Recording Tax Exemption: \$0 Real Property Tax Exemption (Net New): \$2,005,233</p>
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project applicant expects to invest approx. \$3.5 million of private investment in the Project.</p>
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 owns the property.</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 resulted in an increase in assessed value from the original pre-project total assessment: \$1,000,000 (Per City of Albany Commissioner of Assessment and Taxation 2015 Assessment Roll) to the improved total assessment: \$15,710,943 (Per City of Albany Commissioner of Assessment and Taxation 2023 Assessment Roll).</p>

7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The Project will reinvest into a historically significant property Downtown and retain approximately 91 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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**RESOLUTION CONSENTING TO MORTGAGE REFINANCING
413 NORTH PEARL ASSOC LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on September 21, 2023 at 12:15 o’clock 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
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Andrew Corcione	Project Services Director
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	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. 0923-____

**RESOLUTION AUTHORIZING THE EXECUTION/CONSENT BY CITY OF
ALBANY INDUSTRIAL DEVELOPMENT AGENCY OF CERTAIN REFINANCING
LOAN DOCUMENTS AND OTHER RELATED DOCUMENTS IN CONNECTION
WITH THE 413 NORTH PEARL ASSOC LLC PROJECT.**

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

and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of 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 August 5, 2021 the Agency and the Company entered into a lease agreement dated as of August 1, 2021 (the “Lease Agreement”) between the Agency and 413 North Pearl Assoc LLC (the “Company”) for the purpose of undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in an approximately 1.52 acre parcel of land located at 425 North Pearl Street (Tax Map number: 65.16-3-16.1) in the City of Albany, Albany County, New York (the “Land”), together with an existing approximately 90,000 square foot, four-story building located thereon (the “Facility”), (2) the renovation, reconstruction and making exterior improvements, including off-site parking, to the Facility and (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 80 unit residential apartment complex with approximately 13,500 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 and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of the Lease Agreement; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the “Closing”), (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of August 1, 2021 (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”); and (2) a certain bill of sale dated as of August 1, 2021 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered (1) 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 and (2) a certain uniform agency project agreement dated as of August 1, 2021 (the “Uniform Agency Project Agreement”) related to the granting of the Financial Assistance by the Agency to the Company, (C) the Agency executed and delivered to the Company 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 and (D) the Agency filed with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent 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

WHEREAS, in order to finance a portion of the costs of the Project, the Company obtained (A) a loan in the principal amount of up to \$13,200,000 (the “Original Building Loan”) from Salisbury Bank and Trust Company (the “Original Lender”), which Original Building Loan was secured by (1) a building

loan and permanent loan mortgage and security agreement dated as of August 5, 2021 (the “Original Building Mortgage”) and (2) an assignment of rents and leases dated as of August 5, 2021 (the “Original Building Assignment of Leases and Rents) from the Agency and the Company to the Original Lender and (B) additional loan in the principal sum of up to \$2,800,000 (the “Original Project Loan”) from the Original Lender, which Original Project Loan was secured by (1) a building loan and permanent loan mortgage and security agreement dated as of August 5, 2021 (the “Original Project Mortgage”) and (2) an assignment of leases and rents dated as of August 5, 2021 (the “Original Project Assignment of Leases and Rents”) from the Agency and the Company to the Original Lender; and

WHEREAS, pursuant to correspondence that was submitted by the Company to Agency and dated August 24, 2023 (the “Request”), which Request is attached hereto as Exhibit A, the Agency was informed that the Company will be obtaining loans in the total amount of \$14,000,000 (the “Refinanced Loan”) from KeyBank National Association (the “Refinance Lender”), which refinanced loan will be secured by a mortgage on the Project and then ultimately sold to Fannie Mae (the “Refinanced Mortgage Holder”) (collectively the “Refinanced Mortgage”); and

WHEREAS, pursuant to the Request, as the Agency has a leasehold interest in the Land, the Agency is being asked to enter into the Refinanced Mortgage and any related documents needed in connection with securing the Refinanced Loan (collectively, the “Refinancing Documents”); and

WHEREAS, in connection with the execution and delivery of the Refinancing Documents, the Agency will not be providing any additional 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)(29), 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 Refinancing Documents, by Agency counsel and Special Agency counsel and (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, the Agency hereby (a) consents to the Request and (b) authorizes the execution by the Agency of the Refinancing Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chair (or Vice Chair) of the Agency is hereby authorized to execute and deliver the Refinancing Documents to the Company, and, where appropriate, the 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 as the Chair (or Vice Chair) shall approve, the execution thereof by the Chair (or Vice Chair) 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 Refinancing 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 Refinancing 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:

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

The foregoing 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 extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on September 21, 2023 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 _____ day of September, 2023.

Secretary

(SEAL)

EXHIBIT A

REQUEST

- SEE ATTACHED -

S | T

SCIOCCHETTI TABER, PLLC

August 24, 2023

City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

**RE: City of Albany Industrial Development Agency — 413 North Pearl Assoc LLC
Uniform Agency Project Agreement dated as of August 1, 2021
425 North Pearl Street, Albany, NY 12207 – SBL 65.16-3-16.1**

Ladies and Gentlemen:

This office represents 413 North Pearl Assoc LLC (the “Company”) in connection with the above-referenced project with the City of Albany Industrial Development Agency (the “IDA”) at 425 North Pearl Street in the City and County of Albany, New York (the “Premises”). The Company is seeking to refinance its existing mortgage debt with a new loan from Keybank National Association (the “Lender”) in the approximate amount of \$14,000,000.00 (the “Loan”), which Loan will be secured with a mortgage on the Premises (the “Lien”) and ultimately sold to Fannie Mae.

Pursuant to the terms of those certain Lease to Agency and Lease Agreement dated as of August 1, 2021, by and between the IDA and the Company, the Company is seeking the IDA’s consent, in the form of an IDA resolution, to the new Lien on the Premises, and the IDA’s cooperation with the Lender on their closing requirements. Copies of the Loan Documents and any documents required from the IDA will be provided to IDA’s counsel for their review upon receipt by our firm of same.

Please be advised that this request and the additional financing of the premises are in conformity with the original project in all respects. No additional benefits are being requested by Company from the IDA in connection with the consent requested.

If you have any questions or need anything further in connection with this request, please let me know. Thank you for your attention and assistance.

Respectfully submitted,

SCIOCCHETTI TABER, PLLC



By: Lisa F. Taber, Esq.

cc: A. Joseph Scott, III, Esq. — via electronic mail only
Nadene E. Zeigler, Esq. — via electronic mail only

800 Troy-Schenectady Road, Suite 102
Latham, New York 12110

Phone: 518 867 3001
Fax: 518 867 3017

Email: ltaber@pvslaw.com
Website: albanyrealestatelaw.com

2022 Year in Review

City of Albany
Industrial Development Agency (CAIDA) &
Capital Resource Corporation (CACRC)

Presented: September 2023

Albany 2030

Comprehensive Plan for the City of Albany

VISION

Albany in 2030 has built on its history and diverse natural, cultural, institutional, and human resources to become a global model for sustainable revitalization and urban livability. The City promotes a balanced approach to economic opportunity, social equity, and environmental quality that is locally driven, encourages citizen involvement and investment and benefits all residents.

Mission, Purpose & Powers

City of Albany Industrial Development Agency (CAIDA)

MISSION

The mission of the City of Albany Industrial Development Agency (CAIDA) is to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects within the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.

PURPOSE

The City of Albany established CAIDA in 1974 to support various types of projects that advance the job opportunities, health, general prosperity and/or the economic welfare of the people of the City of Albany.

POWERS

CAIDA is authorized and empowered by the provisions of the laws of New York State to, among other things: acquire, own, lease and dispose of property as well as provide certain financial assistance to qualifying projects. CAIDA can provide conduit bond financing, real property tax exemptions, mortgage recording tax exemptions and sales and use tax exemptions to qualifying projects for the purpose of promoting, developing, encouraging and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping and/or furnishing of commercial facilities - among others.

CAIDA is governed by a board of seven members appointed by the City of Albany Common Council. CAIDA reports on an annual basis to the Office of the New York State Comptroller and the New York State Authorities Budget Office. CAIDA also reports on its activities to the City of Albany Common Council.

Albany Tax Structure & Budgetary Impacts

City of Albany Industrial Development Agency (CAIDA)

TAX STRUCTURE

The tax structure within the City of Albany poses a challenge for attracting and retaining investment and businesses. One reason is that approximately 64% of assessed property in the City is tax-exempt, one of the highest proportions among cities within New York State. This imbalance places more pressure on the taxable properties to generate the City's real property tax revenues. Another challenge is that the City of Albany and its School District use the homestead tax option, authorized by the New York State Real Property Tax Law. Under the homestead option, there are two separate real property tax rates, one rate for commercial properties (the non-homestead rate) and one rate for residential properties (the homestead rate). Of the 1,545 cities, towns and villages located in NYS, only roughly 48 municipalities use this option. In 2022, the City of Albany's tax rate for non-homestead property was 33% higher than the homestead property tax rate and the City of Albany School District tax rate for non-homestead property was 36% higher than the homestead property tax rate. According to the most recent Office of the New York State Comptroller's Fiscal Profile of the City of Albany, "the disparity between the homestead and non-homestead tax rates places pressure on local businesses that could impact local development." This structure places Albany at a competitive disadvantage, vying for a regional market with neighboring municipalities that offer significantly lower real property tax rates. Overall, Albany has the second highest commercial property tax rate in the Capital Region, comparable to Schenectady and considerably higher than its neighbors. The aim of CAIDA assistance is to mitigate these challenges and level the playing field.

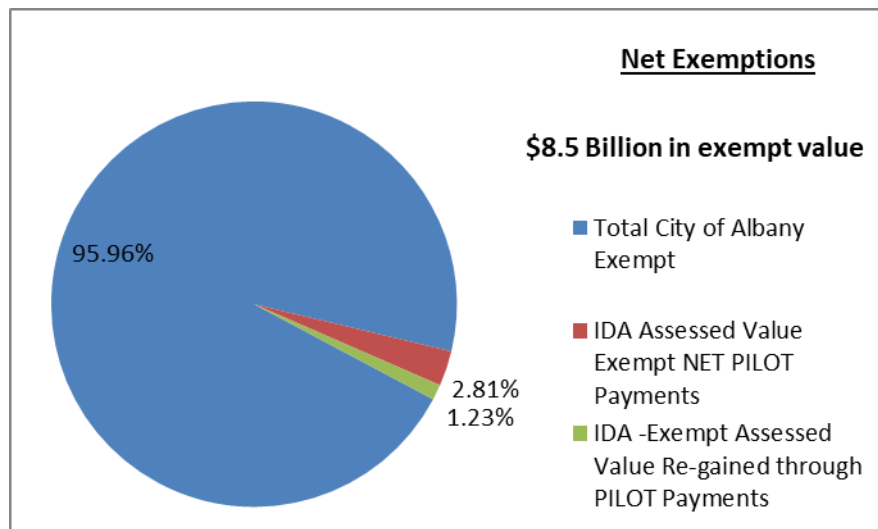
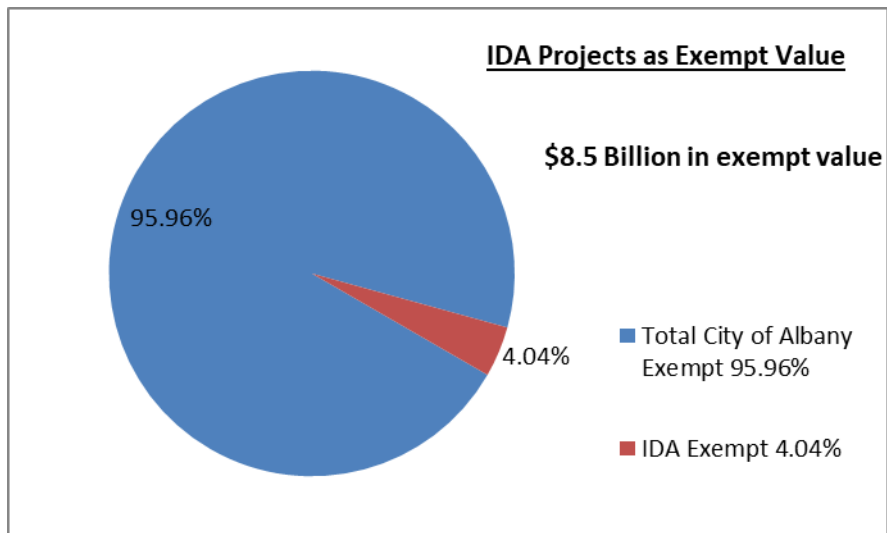
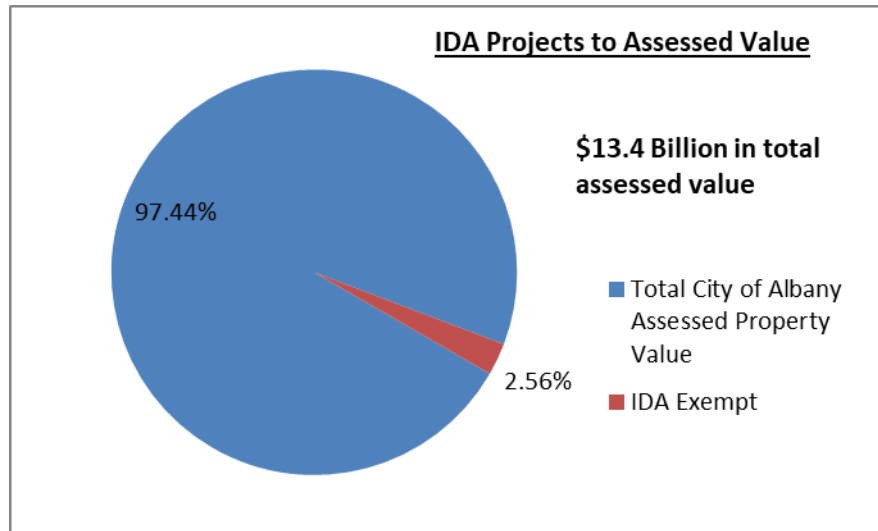
BUDGETARY IMPACTS

As a part of Impact Downtown Albany initiative of 2014, the IDA retained Sarah Woodworth of W-ZHA, Inc. a national development advisory firm established in 1975 specializing in redevelopment, financial feasibility and public financing to analyze the fiscal impacts of the most aggressive forms of tax exemptions on local jurisdictions. The review found that new market-driven development would have neutral or positive fiscal impacts on City of Albany revenues, even with maximum continued tax abatement incentives in place well beyond average CAIDA levels. W-ZHA analyzed the maximum possible estimates of the added costs of new development to City of Albany services, including police and fire services and taking into account minimum revenues with a tax abatement program in place. The study found a net gain to City of Albany revenues overall. The impact would also have a net positive gain on County and New York State revenues. This analysis does not include the additional indirect and induced benefits resulting from new consumers and businesses.

Furthermore, in order to fully understand the budgetary impact of the Agency's decisions, it is important to place the effect of CAIDA tax exemptions in context of the broader taxation structure of the City of Albany. CAIDA assisted projects make up approximately 2.54% of assessed property value in the City of Albany compared to approximately 64% of assessed property value in the City Albany exempted from taxes for other reasons not associated with CAIDA (i.e. NYS, city and/or non-profit owned property among other reasons). Furthermore, CAIDA assisted projects make payments in lieu of taxes (PILOTs) and when you take into account these PILOT payments, the value exempted is further reduced from 2.54% to 1.87% of the city-wide assessed property value. These trends have held from 2016 through 2022.

Albany Tax Structure & Budgetary Impacts Continued

City of Albany Industrial Development Agency (CAIDA)



Performance Measures

City of Albany Industrial Development Agency (CAIDA)

EFFECTIVENESS

Assistance by CAIDA catalyzed over \$365 million in estimated capital investments from 2020-2022. CAIDA, among other things, has assisted with the transformation of vacant, underutilized and/or tax-exempt properties into income producing properties. For example, out of the 17 projects assisted by the CAIDA from 2020-2022, all were previously either vacant, underutilized and/or tax-exempt. This investment increases the value of the real property, and as such, taxing jurisdictions will receive significantly more revenues over the life of the PILOTs than if the properties had remained “as-is”. Furthermore, from 2020-2022, CAIDA assisted projects are expected to generate an estimated 2,148 construction jobs and 203 new or retained permanent jobs. The effect of \$365 million in investment has both one-time and ongoing annual economic benefits that flow through the local economy in the form of direct, indirect and induced benefits. In order to further benefit the local economy, CAIDA shapes private sector decisions through administrative policies such as including job creation as a criteria in the project review and encouraging the private sector to hire local workers through CAIDA’s Local Labor Policy.

Effectiveness:	2022	2021	2020
# of New Projects Assisted (Closed) ⁽¹⁾⁽²⁾	4	9	4
Units of Affordable Housing Assisted (Closed)	6	40	0
Projects located in a Distressed Census Tract	1	1	1
Projects located in a High Vacancy Census Tract	2	7	4
Projects located in a Previously Tax Exempt/Vacant Parcel	3	4	1
Historic Preservation Projects	1	3	2
Projects Resulting from Neighborhood Plan Implementation	2	5	3
Downtown Residential Units	27	113	66
Estimated Capital Investment Assisted	> \$133,000,000	> \$208,000,000	> \$24,000,000
Projected Construction Jobs	615	1,320	213
Projected New Jobs/Retained Jobs	38	83	82
Estimated Net Revenues to Taxing Jurisdictions (Over Life of PILOT) ⁽³⁾	> \$6,200,000	> \$16,000,000	> \$500,000
Notes: 1) Impacted by COVID-19 Pandemic 2) Not all projects close in the year approvals received.			

In addition to job opportunities, it is an important objective of IDAs to promote health, general prosperity and economic welfare for the people of the City. These “revitalization” goals are less measurable than investment levels, jobs created, etc., but they are no less important to the overall mission of the City. Staff memos presented to the Board regarding IDA projects incorporate these “revitalization” goals, in addition to other goals, in order to evaluate a more complete analysis of each project.

EFFICIENCY

CAIDA does not receive city, county, state, federal or any other public funds to support its operations. Rather, CAIDA funds its own operations by charging fees to project applicants. While CAIDA does not have a staff of its own, CAIDA operations are supported through a professional services agreement (staff, office space, supplies, etc.) with Capitalize Albany Corporation, the City of Albany's economic development organization. As is detailed below, CAIDA ranked favorably when comparing certain metrics to other IDA's statewide (excluding NYC).

CAIDA's financial audit is performed annually by an independent certified public accountant (CPA) within 90 days of the close of its fiscal year. In 2022, CAIDA received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

Efficiency:	2022	2021	2020
Income ⁽¹⁾	\$1,289,185	\$1,925,558	\$412,252
Operating Expenses ⁽²⁾	\$870,068	\$1,083,691	\$962,306
Excess of Fee Over Operating Expenses ⁽³⁾	\$442,556	\$841,867	(\$550,054)
Net Assets	\$4,091,743	\$3,649,187	\$2,807,320
Auditors Opinion	Unqualified ⁽⁴⁾	Unqualified ⁽⁴⁾	Unqualified ⁽⁴⁾

Notes:

1) Not all projects close in the year approvals received. Agency fee paid upon project closing.

2) For the reporting years shown Agency paid a total of \$187,575 in operating costs for Arbor Hill Community Center and over \$1,329,603 since 2003.

3) 2020 Impacted by COVID-19 Pandemic

4) An "Unqualified Opinion" is the best opinion an auditor can give as it represents a clean audit.

STATEWIDE COMPARISONS

For the reporting year 2021, CAIDA compares favorably amongst its statewide counterparts according to the most recent annual report issued by the Office of the New York State Office of the State Comptroller (OSC) which analyzes the activities of 105 New York State IDAs. The annual report was released in June of 2023.

- A strong investment in the City of Albany's economy is shown through the total value of projects that were catalyzed by assistance through the City of Albany IDA. Supported City projects in total were valued at over \$1.14 billion, which is 28% higher than the average total investment created by IDAs statewide.
- Regarding (PILOTs), the City of Albany IDA generated \$5.6 million in payments, which is higher on average than its statewide counterparts.
- On a per project level, the City of Albany IDA's project exemptions in 2021 were \$152,615, which was \$54,918 less per project compared to the statewide average. That is 26% lower than the average exemption per project on a statewide level.
- Over the past ten years, CAIDA has assisted 49 market-rate and affordable housing projects, yielding over 4,000 residential units.
- These 49 projects have created \$124.9 million in payments to the local taxing jurisdictions.
- In 2021, 9 projects closed on assistance with the Agency, which created 876 units yielding \$23.9 million in anticipated net new payments.

A similar, favorable comparison was evident as part of the 2018, 2019 and 2020 OSC annual reports. The OSC annual IDA performance report lags behind the reporting year as the OSC collects data and performs the necessary analyses. Thus the OSC annual IDA performance report for 2022 will be released in the Spring/Summer of 2024. The City of Albany IDA has consistently implemented OSC recommended best practices, improving processes, procedures and project evaluation methods further.

Accountability, Integrity & Transparency

City of Albany Industrial Development Agency (CAIDA)

GOVERNANCE

CAIDA is governed by a seven member board who executes direct oversight of the Agency.

REPORTING

CAIDA reports on an annual basis to the Office of the New York State Office of the State Comptroller (OSC) and the New York State Authorities Budget Office (ABO). CAIDA is required to complete an annual report for the OSC and ABO known as the PARIS report (Public Authority Reporting Information System) along with a financial audit prepared by an independent, certified public accountant by March 31st for the previous fiscal year. CAIDA also reports on its activities to the City of Albany Common Council.

PROJECT REVIEW

CAIDA project review involves a rigorous process with a typical timeframe of 3-6 months between application submittal, analysis and discussion and approval consideration. During the process, a project will be discussed at a number of open, public meetings (including Finance Committee and Board) and a public hearing. The number of meetings varies depending on the complexity of the project. The robust process can be summarized into three stages: Application & Presentation, Analysis & Public Comment, and Review & Decision.

Stage One: Application and Presentation

This stage begins with the receipt of an application. Staff reviews the application for completeness, requests any missing documentation and provides initial observations to the applicant. Once an application is complete, the applicants make a preliminary presentation to the Finance Committee and Board. At this time, the Finance Committee and Board are able to provide their initial observations, request specific pieces of supplemental information and provide initial direction to staff for analysis.

Presented to the Board:

Complete Application

Applicant project overview presentation to Finance Committee/Board

Community Benefits Letter

Stage Two: Analysis and Public Comment

During this stage, staff conducts an analysis of the requested assistance. In addition to the standard analysis, staff also solicits and analyzes supplemental requests made by the Finance Committee and Board. A public hearing is also held at this time, so that the public response can be weighed into the analysis. Staff provides a detailed memorandum outlining the analysis. The Finance Committee continues its dialogue related to the proposal in light of staff analysis and works with the applicant through staff to address deficiencies or concerns, which may include additional analysis. This stage results in a final request.

Presented to the Board:

Analysis from staff (Project Summary; PILOT Analysis, Project Evaluation and Assistance Framework Analysis)

Supplemental information in response to all previous requests

PROJECT SUMMARY MEMO

A summary of the project, including costs and benefits, is provided to the Finance Committee and Board and is distributed to the City of Albany Common Council before the Finance Committee meeting. The Project Summary Memo is also available to the general public on the City of Albany IDA website. The Project Summary Memo is updated and reposted to the website throughout the review process.

Stage Three: Review and Decision

Once the Finance Committee has deemed the analysis sufficient and the applicant finalizes the request, staff provides a memorandum detailing the final request and results of the analysis. Upon review of this memo, the Finance Committee forwards a recommendation for approval, denial, or approval with conditions to the full Board for its consideration. At this time, the applicant may be invited back to make a final presentation to the Board. The full Board reviews the Finance Committee's recommendation, engages in final deliberation and takes action.

Presented to the Board:

Final request and presentation of analysis from staff

Recommendation from Finance Committee

Final resolution

RECENT AGENCY ENHANCEMENTS

In response to the proposed best practices recommended by the Office of the New York State Comptroller ("OSC") and the New York State Authorities Budget Office ("ABO") in a number of audits of industrial development agencies performed over the past year and in anticipation of the industrial development agency reform legislation adopted by the New York State Legislature on June 19, 2015 (the "Reform Legislation"), the City of Albany Industrial Development Agency (the "Agency") retained Hodgson Russ LLP, by resolution on February 19, 2015, to assist the Agency staff in addressing certain administrative and policy updates.

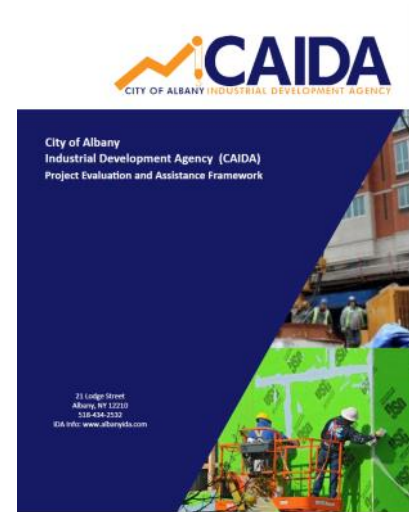
The following policies, procedures, provisions, and form documents were developed and/or updated over the years to (a) align the Agency's policies, procedures, and documents with the best practices recommended by the OSC and the ABO and (b) bring the Agency into compliance with the Reform Legislation:

1. Policy Respecting Recapture of Project Benefits (Clawback Policy) – developed to provide for the recapture of Agency Benefits provided (i.e., sales tax exemption, mortgage recording tax exemption and/or payments in lieu of taxes ["PILOTs"]) to projects that fail to deliver on projected public benefits (i.e., job creation/retention).
2. Model Public Benefits Agreement – developed to enforce the Clawback Policy.
3. Media Relations Policy and Guidelines – developed to provide uniform procedures for the marketing and media coverage of Agency projects.
4. Conduct & Notifications of Public Hearings Policy – updated to include new policy/procedure requirements.
5. Policy Compliance Calendar – developed to outline procedures for compliance with state law and Agency policies by the Agency Board and Committees.
6. Project Monitoring and Enforcement Policy – updated to monitor both the progress of projects towards their projected public benefits (i.e., job creation/retention) and the accuracy of the Agency Benefits provided (i.e., sales tax exemption, mortgage recording tax exemption and/or PILOTs).
7. Accuracy of Financial Information Representation provision for Agency Documents – developed to hold project applicants accountable to the financial information provided in Project Applications.
8. Verification of Capital Investment at Completion of a Project provision for Agency Documents – developed to hold project applicants accountable for the capital investments projected in the Project Application and any changes that occur as of completion of the project.
9. Change in Control Policy— provides guidance in the instance there is a change in control/equity ownership, mergers or consolidations of Agency assisted projects.

10. Post Completion Project Cost Affidavit – developed to enforce the Verification of Capital Investment provisions.
11. Project Application – updated to incorporate new policy and procedure requirements.
12. Model PILOT Termination Letter – developed letter for distribution to project applicants outlining the options and requirements for termination of a PILOT Agreement at the maturity of a project.
13. Uniform Tax Exemption Policy – reviewed and updated (a) the interim sales tax provisions for projects under construction prior to closing and (2) the mortgage recording tax provisions for proposed refinancings and assignments of project facilities.

PROJECT EVALUATION AND ASSISTANCE FRAMEWORK

In 2017, the CAIDA implemented a Project Evaluation and Assistance Framework to enhance transparency, accountability and predictability of IDA's PILOT process. The Board directed its Governance Committee and staff to standardize and formalize the structure by which CAIDA supports responsible planning and management of future tax dollars while growing the City's tax base by attracting and retaining investment. The requested structure was also intended to prioritize and highlight the analysis of community benefits delivered by proposed projects. Due to changing market conditions, among other factors, the Framework may be subject to periodic review and updates.



The Framework was developed throughout 2016 by engaging a third-party specialist who evaluated CAIDA existing process and previous projects; analyzed Albany market conditions; researched industry standards; and tested realistic capital, operating and financial assumptions for each prospective land use. This data was used to construct a standardized PILOT schedule framework, which was tested against sensitivity analyses controlling for a variety of project conditions that would meet local development economics needs while ensuring maximum returns for the taxing jurisdictions.

The Board coupled this standardized assistance framework with a new standardized scoring mechanism to evaluate projects. The process established a matrix of Community Benefit Metrics to ensure that projects must meet a minimum standard based on defined measures of revitalization, investment and employment to be considered for assistance through the program. This scoring mechanism was tested against previous CAIDA projects as well as sample prototype projects.

The CAIDA Board of Directors approved the Project Evaluation and Assistance Framework in 2016 to take effect for 2017 project applications seeking deviations from Uniform Tax Exemption Policy assistance. The project evaluation criteria ensure that projects that receive assistance will meet baseline requirements and have a significant impact on the local economy and positive community benefits for example, projects that generate substantial private. Investment, result in a large number of jobs and/or are located within distressed census tracts. Assistance through CAIDA is still reserved for projects that would not be feasible in the absence of the assistance. Utilizing guidance set forth in the program guidelines and CAIDA Policy Manual, the Board of Directors will continue to make the final determination for assistance for each application. All projects, regardless of the assistance being sought, are subject to CAIDA Policy Manual.

In 2022, the Agency entered into a contract for services with a 3rd party consultant as part of a long-contemplated refresh of the framework. Given current market conditions, the consultant is reexamining the framework to analyze what updates will better serve the interests of investors, the community and the City of Albany taxing jurisdictions.

The table below shows that from 2020-22, CAIDA held a total of 102 meetings and public hearings, including regular monthly board meetings, special meetings, committee meetings and annual meetings. All meetings were open to the public and meeting notices, agendas, minutes and materials were posted on the CAIDA website at www.albanyida.com. Also, as required by NYS law, CAIDA held public hearings in which the public was given the opportunity to comment on the proposed financial assistance before CAIDA Board approval consideration. Public hearing notices were published in advance in a local newspaper and posted at City Hall and on the CAIDA website. Furthermore, from 2016-22 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on CAIDA's website. CAIDA filed its 2022 Annual Report by the March 31, 2023 deadline.

Accountability, Integrity & Transparency	2022	2021	2020
Filing of Required PAAA Reports	All reports were filed on time	All reports were filed on time	All reports were filed on time
Annual Meeting	Annual meeting held in January	Annual meeting held in January	Annual meeting held in January
Board Meetings	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January
	11 Board meetings held	12 Board meetings held	12 Board meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Committee Meetings	14 Committee meetings held	16 Committee meetings held	17 Committee meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Public Hearings ⁽¹⁾	2 Public hearings held	10 Public hearings held	5 Public hearings held
	Notices published as required	Notices published as required	Notices published as required
Notes: 1) Not all projects dose in the calendar year the public hearing takes place. 2) Beginning in January 2020, all Agency Board and Committee meetings and Public Hearings were live streamed.			

Activity Highlights

City of Albany Industrial Development Agency (CAIDA)

During 2022 the City of Albany Industrial Development Agency (CAIDA) continued to assist eligible projects with conduit taxable and tax-exempt debt financings and other financial assistance.

Projects Closed

705 Broadway (Hyatt Place)

This \$36.5 M investment will construct a 74,000 SF, 7-story Hyatt Place hotel on what was vacant land/brownfield site. Significant subterranean remediation was completed through the Brownfield Tax Credit program prior to the commencement of construction. The project will consist of a 110 room select service hotel. Of note the structure will be 100% electrified, making it one of the few carbon-neutral hotels not only in New York State, but nationwide. The project is expected to create 25 new permanent jobs and approx. 100 construction jobs. Construction on site is underway and is expected to be completed by the end of 2023.



1415 Washington Ave

The \$79.9 M investment into 2.85 acres at 1415 Washington Ave involves the demolition of an existing underutilized structure and the construction of a +/- 414,850 square foot residential student housing dormitory complex. The project will include 240 student apartment units (approx. 560 beds) and 207 off-street parking spaces. The project will create at least 300 construction jobs and 8 permanent full-time equivalent jobs. Construction is currently underway.



66 State Street

The long-vacant 41,650 square foot commercial structure prominently located on State St will be converted into a mixed-use multi-family residential building. This project will transform the structure into 27 market rate apartments and approx. 10,000 square feet of ground floor commercial/retail space. The \$7.3 million investment by Redburn Development Partners will create at least 50 construction jobs and one permanent job while continuing to repurpose vacant commercial space in Downtown's Central Business District. The project will utilize historic tax credits.



90 So. Swan Street (aka 244 State St)

The \$9.0 M investment into approx. 44,000 square feet of underutilized commercial office/retail space will redevelop a four-story building into a 61 unit market-rate apartment complex and will include +/- 1,000 square feet of ground floor retail space located directly adjacent to the NYS Capitol and Empire State Plaza. The project expects to create approx. 165 construction jobs and 4 full-time permanent jobs once complete.



Other Activity

ARBOR HILL COMMUNITY CENTER

In 2002, CAIDA entered into a three party agreement with the City of Albany and, what was at the time, New Covenant Charter School, to construct an educational facility in Arbor Hill that would provide for a permanent, full-service Community Center for the neighborhood. CAIDA's annual payment on its lease of the property provides ongoing operating support for the Community Center. This agreement transferred to the City School District of Albany when it took ownership of the facility in 2013, and the three parties are working together to offer this needed and valued amenity to the community.

In December 2022, the lease agreement between the IDA and the City School District of Albany was amended, allowing for continued financial support from the Agency for the operations of the Community Center.



Mission, Purpose & Powers

City of Albany Capital Resource Corporation (CACRC)

In January of 2008, the authority of IDAs to issue bonds for civic facility projects expired. As a result, municipalities including the City of Albany, established local development corporations to assist not for profit organizations with financing needs.

MISSION

The Mission of the City of Albany Capital Resource Corporation (CACRC) is to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers as set forth under the provisions of the laws of the State of New York.

PURPOSE

CACRC is a not for profit corporation established by the City of Albany to promote community and economic development and the creation of jobs in the nonprofit and for profit sectors for the citizens of the City by providing access to low interest tax-exempt and non-tax-exempt financing for eligible projects; mortgage recording tax exemptions, as well as issuing and selling one or more series or classes of bonds.

POWERS

CACRC is authorized and empowered to, among other things: acquire, own, lease and dispose of property as well as provide certain financial assistance to qualifying projects. CACRC can provide conduit bond financing and mortgage recording tax exemptions to qualifying projects.

CACRC is governed by a board of seven members appointed by the City of Albany Common Council. CACRC reports on an annual basis to the Office of the New York State Comptroller and the New York State Authorities Budget Office. CAIDA also reports on its activities to the City of Albany Common Council.

Performance Measures

City of Albany Capital Resource Corporation (CACRC)

EFFECTIVENESS

From 2020-2022, CACRC assisted 4 civic facility projects that resulted in new or continued investments in the City of Albany of approximately \$94.6 million. During that same time period, CACRC assisted projects are expected to generate an estimated 856 new or retained permanent jobs.

Effectiveness:	2022	2021	2020
# of New Projects Assisted (Closed) ⁽¹⁾⁽²⁾	1	3	0
Estimated Capital Investment Assisted	\$9,315,000	\$85,335,000	\$0
Projected Construction Jobs	-	-	-
Projected New Jobs/Retained Jobs	8	848 ⁽³⁾	0
Notes:			
1) Impacted by COVID-19 Pandemic			
2) Not all projects close in the year approvals received.			
3) Job number does not include jobs created / retained at St. Peter's Hospital (Public Hearing for 3rd party bond issuance)			

EFFICIENCY

CACRC does not receive city, county, state, federal or any other public funds to support its operations. Rather, CACRC funds its own operations by charging fees to project applicants. While CACRC does not have a staff of its own, CACRC operations are supported through a professional services agreement (staff, office space, supplies, etc.) with Capitalize Albany Corporation, the City of Albany's economic development organization. CACRC's annual financial audit is performed and completed by an independent certified public accountant (CPA) within 90 days of the close of its fiscal year. In 2022, CACRC received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

Efficiency:	2022	2021	2020
Income ⁽¹⁾	\$53,313	\$407,158	\$3,092
Operating Expenses	\$45,860	\$23,746	\$255,908
Excess of Fee over Operating Expenses	\$7,453	\$383,439	(\$252,816) ⁽²⁾
Net Assets	\$596,805	\$589,352	\$205,913
Auditors Opinion	Unqualified ⁽³⁾	Unqualified ⁽³⁾	Unqualified ⁽³⁾
Notes:			
1) Not all projects necessarily close in the year approvals received. Agency fee paid upon project dosing.			
2) Includes \$250,000 in Economic Development Support used to fund CAC grant programs.			
3) An "Unqualified Opinion" is the best opinion an auditor can give as it represents a clean audit.			

Accountability, Integrity & Transparency

City of Albany Capital Resource Corporation (CACRC)

GOVERNANCE

CACRC is governed by a seven member board who executes direct oversight of the Corporation.

REPORTING

CACRC reports on an annual basis to the Office of the New York State Comptroller (OSC) and the New York State Authorities Budget Office (ABO). CACRC is required to complete an annual report for the ABO known as the PARIS report (Public Authorities Reporting Information System) along with a financial audit prepared by an independent, certified public accountant by March 31st for the previous fiscal year. CACRC also reports on its activities to the City of Albany Common Council.

PROJECT REVIEW:

CACRC review involves a rigorous process that mirrors the three stage process of The City of Albany Industrial Development Agency, including Application & Presentation, Analysis & Public Comment, and Review & Decision.

The table below shows that from 2020-2022, CACRC held a total of 64 meetings and public hearings, including regular monthly board meetings, committee meetings and annual meetings. All meetings were open to the public with meeting notices, agendas, minutes and materials posted on the CACRC website at www.albanyida.com. Also, CACRC held public hearings in which the public was given the opportunity to comment on the proposed financial assistance before CACRC Board approval consideration. Public hearing notices were published in advance in a local newspaper and posted at City Hall and on the CACRC website. Furthermore, from 2016-2022 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on the CACRC 's website.

Accountability, Integrity & Transparency	2022	2021	2020
Filing of Required PAAA Reports	All reports were filed on time	All reports were filed on time	All reports were filed on time
Annual Meeting	Annual meeting held in January	Annual meeting held in January	Annual meeting held in January
Board Meetings	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January
	7 Board meetings held	9 Board meetings held	8 Board meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Committee Meetings	9 Committee meetings held	12 Committee meetings held	11 Committee meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Public Hearings ⁽¹⁾	1 Public hearing held	4 Public hearings held	0 Public hearings held
	Notices published as required	Notices published as required	Notices published as required

Notes:

1) Not all projects necessarily close in the calendar year its public hearing takes place.

Activity Highlights

City of Albany Capital Resource Corporation (CACRC)

Albany College of Pharmacy and Health Sciences

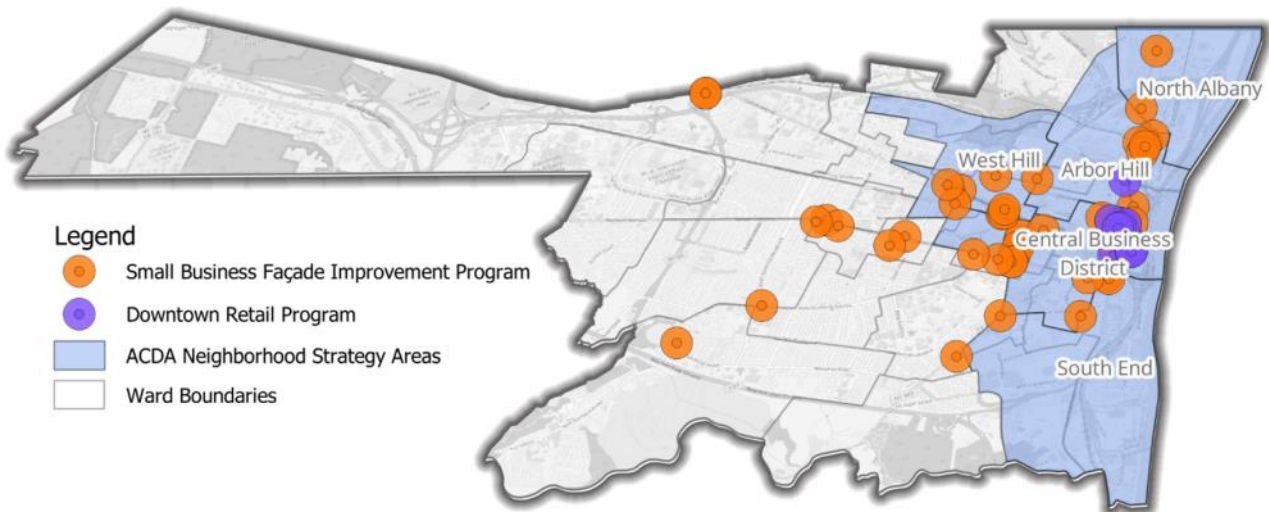
In 2022, the CRC assisted in the refunding of existing debt and the issuance of both tax exempt and taxable bonds totaling approx. \$9,315,000. This assistance allowed the College to assume full ownership of the two student housing facilities which will be managed as College owned student housing. The project is expected to assist in the retention of 8 full-time jobs.



Other Activity

CAPITALIZE ALBANY CORPORATION GRANT PROGRAMS

Pivoting from small business pandemic recovery efforts implemented from 2020 through 2021, Capitalize Albany Corporation resumed traditional grant programming in 2022. The Corporation announced the relaunch of three grant programs: Small Business Façade Improvement Program, Downtown Albany Retail Grant Program, and the Amplify Albany Grant Program, in addition to launching the new Neighborhood Retail Grant Program. Each of these programs is designed to facilitate neighborhood commercial activity and support small businesses. City of Albany Capital Resource Corporation makes these programs possible through allocations of funding administered by Capitalize Albany Corporation. 2022 and 2023 have seen increased activity in this programming as awareness continues to build.



\$945,000

invested by the CACRC

118

grants awarded

95

awards in NSAs

Other Activity

CAPITALIZE ALBANY CORPORATION GRANT PROGRAMS

AMPLIFY ALBANY GRANT PROGRAM

The Amplify Albany Grant Program has created and supported numerous initiatives, programs and events in over 15 different neighborhoods and commercial districts throughout the City of Albany including Downtown, Lark St, Pine Hills, Upper Madison, Washington Park, Upper New Scotland, Central Ave, Warehouse District, South End and Lower New Scotland.



Total Awards	50
Total Funds Awarded	\$172,000
Estimated Foot Traffic Created	>50,000 People
Awards since 2022	13
Neighborhoods Touched	15



Other Activity

CAPITALIZE ALBANY CORPORATION GRANT PROGRAMS

DOWNTOWN ALBANY RETAIL GRANT PROGRAM

The Downtown Albany Retail Grant Program was launched in 2016 to attract new and enhance existing retail businesses in select areas of downtown. It has facilitated the activation of 35,000 square feet of vacant retail space, \$3.3 million of investment leveraging \$2.8 million, and has created more than 167 construction jobs and 150 permanent jobs, over half of which are anticipated to be City of Albany residents.

This program has energized Downtown Albany with restaurants, recreation, gift and apparel retailers, and other service or creatively-oriented industries. Every dollar invested by the CACRC resulted in at least \$9.46 of private investment.



Total Awards	13
Total Funds Awarded	\$170,000
Leverage	\$2.8 M
Total Investments	\$3.3 M
Vacant Space Activated	35,000
Permanent Jobs	>150



Other Activity

CAPITALIZE ALBANY CORPORATION GRANT PROGRAMS

SMALL BUSINESS FAÇADE IMPROVEMENT PROGRAM

The Small Business Façade Improvement Program is available throughout the City of Albany to facilitate exterior improvements such as new signs, awnings, and painting for small businesses and not-for-profits. With the support of the Albany Community Development Agency, Capitalize Albany Corporation has administered five rounds of the Program, making 52 awards totaling \$425,000. For every dollar disbursed by the CACRC, an additional \$2.47 of private investment was leveraged.

Over 17 neighborhoods have seen awards through this program. Of the 52 awardees, 41 are located in Albany Community Development Agency-designated Neighborhood Strategy Areas (NSAs).



Total Awards	52
Total Funds Awarded	\$425,000
Projected Leveraged Investment	\$940,000
Projects in NSAs	82%
Neighborhoods Reached	17



Other Activity

CAPITALIZE ALBANY CORPORATION GRANT PROGRAMS

NEIGHBORHOOD RETAIL GRANT PROGRAM

The Neighborhood Retail Grant Program was launched in January 2022. Grants of up to \$25,000 for interior and exterior improvements are available to support the activation of vacant spaces, and grants of up to \$15,000 are available to existing businesses to make exterior façade improvements.

Program funds are available in strategically-identified commercial corridors in the North Albany, Arbor Hill, West Hill, and South End neighborhoods. These locations were targeted for their potential to catalyze further investment within the Albany Community Development Agency's Neighborhood Strategy Areas.

Capitalize Albany Corporation is actively marketing this program through traditional outreach methods in conjunction with staff walking each corridor to establish in-person connections with eligible properties.

