

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given by the City of Albany Capital Resource Corporation (the “Issuer”) that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and, as required by the Issuer’s certificate of incorporation, Section 859-a of the General Municipal Law of the State of New York, will be held by the Issuer on the 8th day of May, 2024 at 12:00 o’clock p.m., local time, at the offices of the Issuer located at 21 Lodge Street in the City of Albany, Albany County, New York in connection with the following matters:

In March, 2024, KIPP Capital Region Public Charter Schools (the “Institution”), a New York not-for-profit corporation, presented an application (the “Application”) to the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Institution, said Project to consist of the following: (A) the construction of an approximately 98,185 square foot high school building (the “Facility”) on an approximately 10.38 acre parcel of land located at 400 Northern Boulevard and 10 Dudley Heights in the City of Albany, Albany County, New York (the “Land”) and (2) the acquisition and installation thereon and therein of certain related furniture, fixtures, machinery and equipment (the “Equipment”) (the Facility, the Land and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be operated by the Institution as an educational facility and any other directly or indirectly related activities; (B) the refinancing of various existing loans; (C) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to not exceed \$60,000,000 and in any event not to exceed \$65,000,000 (the “Obligations”); (D) the paying of all or a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations, capitalized interest and any reserve funds as may be necessary to secure the Obligations; and (E) the making of a loan of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Albany County, New York or elsewhere.

If the issuance of the Obligations is approved, with respect to any portion of the Obligations to be intended to be issued as federally tax-exempt obligations, the interest on such portion of the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the Mayor of the City of Albany, New York (the “Mayor”) after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the proceeds of the Obligations will be loaned by the Issuer to the Institution pursuant to a loan agreement (the “Agreement”) requiring that the Institution make payments equal to debt service on the Obligations and make certain other payments to the Issuer and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF ALBANY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF ALBANY, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Issuer and to the Mayor. Approval of the issuance of the Obligations by the City of Albany, New York, acting through its elected Mayor, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Ashley Mohl, Interim Chief Executive Officer, City of Albany Capital Resource Corporation, 21 Lodge Street, Albany, New York 12207; Telephone: (518) 434-2532.

Dated: April 25, 2024.

CITY OF ALBANY CAPITAL
RESOURCE CORPORATION

By: /s/Ashley Mohl
Interim Chief Executive Officer