The minutes of the Public Hearing of the Village of Green Island Industrial Development Agency held on Friday, December 15th, 2017 at 3:00 p.m. at the Green Island Municipal Center, 19 George Street, Green Island, NY.

In attendance: Chairperson Perfetti, Secretary Koniowka, Sean E. Ward, CEO; Michele Bourgeois, Assistant to the CFO; Attorney Scott, Special Counsel; Mayor Ellen M. McNulty-Ryan, Anne M. Strizzi, IDA Recording Secretary and Michael Raymond, representative for Center Island North, LLC.

Chairperson Perfetti opened the Public Hearing and asked for a motion to waive the reading of the Notice of the Public Hearing and to note that the complete notice will be included in the minutes of the public hearing.

The Notice of Public Hearing was published in The Record Newspaper, Troy, NY on December 1st, 2017.

On a motion by Secretary Koniowka seconded by Chairperson Perfetti and carried, to dispense with the reading of the Notice of the Public Hearing and to include the complete notice in the minutes of this public hearing. All ayes.

The notice reads as follows:

NOTICE OF PUBLIC HEARING

ON PROPOSED PROJECT

AND FINANCIAL ASSISTANCE

RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”) and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) will be held by Village of Green Island Industrial Development Agency (the “Issuer”) on the 15th day of December, 2017 at 3:00 o’clock p.m., local time, in the Green Island Municipal Center located at 19 George Street in the Village of Green Island, Albany County, New York, in connection with the following matters:

Center Island North, LLC, a State of New York limited liability company (the “Company”), has submitted an application (the “Application”) to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) the refunding, in whole or in part, of the Issuer’s Industrial Development Revenue Bonds (Rivers Edge Apartments Project), Series 2001 in the original aggregate principal amount of $15,000,000 (the “Prior Bonds”), which Prior Bonds were issued on November 16, 2001 to finance the following project (the “Existing Project”): (i) the acquisition of a leasehold interest in certain real property and improvements thereon in an approximately eleven (11) acre site in the Center Island region of the Village of Green Island, New York (the “Land”), (ii) the construction of approximately 190 residential apartment units, 100 garages and a clubhouse (the “Facilities”) on the Land and (iii) the acquisition of and installation in the Facilities of machinery, equipment and furnishings (the “Equipment”) (the Land, the Facilities and the Equipment hereinafter collectively referred to as the “Existing Project Facility”); (B) the payment of a prepayment penalty fee in connection with the refunding of the Prior Bonds; (C) the acquisition of and installation in the Existing Project Facility of machinery, equipment and furnishings (the “New Equipment”) (the Existing Project Facility and the New Equipment hereinafter collectively referred to as the “Project Facility”); (D) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt 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 equal approximately $16,000,000, but in any event not to exceed $18,000,000 (the “Obligations”); (E) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (F) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the “Financial Assistance”); and (G) 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 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 (1) 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, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project and (3)  exemption from sales taxes relating to the acquisition, reconstruction, renovation and installation of the Project Facility. If any portion of the Financial Assistance to be granted by the Issuer with respect to the Project is not consistent with the Issuer’s uniform tax exemption policy, the Issuer will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If issuance of the Obligations is approved, interest on 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 Village of Green Island, New York 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 142(a)(7) of the Code, at least ninety-five percent (95%) of the net proceeds of the Obligations are used to provide a “qualified residential rental project” within the meaning of such quoted term in Section 142(d) of the Code.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the Project Facility will be acquired, reconstructed, renovated and installed by the Issuer and will be leased (with an obligation to purchase) or sold by the Issuer to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments 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 VILLAGE OF GREEN ISLAND, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE VILLAGE OF GREEN ISLAND, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has determined that the Project constitutes a “Type II action”, as said quoted term is defined in the regulations issued pursuant to Article 8 of the Environmental Conservation Law (the “Regulations”), and accordingly that no environmental impact statement or any other determination or procedure is required under the Regulations 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. If the Issuer determines to issue any portion of the Obligations as federally tax-exempt obligations, a transcript or summary report of the hearing will be made available to the Mayor of the Village of Green Island, New York. Approval of the issuance of the Obligations by the Village of Green Island, 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: Sean E. Ward, Chief Executive Officer, Village of Green Island Industrial Development Agency, 20 Clinton Street, Green Island, New York 12183; Telephone: (518) 273-2201.

Dated: November 30, 2017

VILLAGE OF GREEN ISLAND

INDUSTRIAL DEVELOPMENT AGENCY

BY: s/Rachel A. Perfetti\_\_\_\_\_\_\_\_\_\_\_

Chairperson

Chairperson Perfetti then asked for a presentation by Center Island North, LLC pertaining to application for Financial and Other Assistance.

Attorney Joseph Scott stated that the purpose of the public hearing is to solicit public comment for the proposed project and the proposed project is a refunding of the existing bonds that the IDA had issued a number of years ago to finance the project. We have a representative from the project, Mr. Raymond and he will give a very brief explanation of the status of the project. The project is a completed project and they have secured financing from a local bank, and that they are proceeding with a goal to close next week or the following week of December.

Mr. Michael Raymond, representative for Center Island North, LLC stated it is obvious that the project is complete. It is 189 units and 38 are affordable units. We are attempting to close late next week and Berkshire Bank would be the lender on it and our purpose for doing it was, as previously discussed, was the original note on the project was twice as much as the new rate on the notes and our time pressure for doing this was due to tax policy changes in Washington and they wanted to get it done in 2017, in case private activity bonds went away in 2018, which was their need to rush it at this point.

Attorney Scott stated that he would like to follow-up on a couple of those comments. It is still unclear on what is exactly going to happen in the Tax Act, the current version looks favorable with respect to these types of bonds and they are involved with several other projects like this and no one is taking the risk given the uncertainty of what Congress may do or may not do. So, people are just generally moving forward to try to close and in moving forward, the next step after the holding of this Public Hearing is to assemble minutes and send them to the Mayor because under the Tax Code, the Mayor needs to sign a certificate just like the Mayor did on the original financing. So, he will be coordinating with Sean and with the IDA and Jack to get the required documents to the Mayor’s office and then, we have a meeting of the IDA scheduled for December 20th, 2017 to give final approval and adopt a Bond Resolution with respect to the project.

Chairperson Perfetti asked if anyone would like to make any comments.

Attorney Scott stated that with respect to community benefits. The major part of the community benefit is that a significant portion of the units are limited by way of income units, so they are affordable housing units and obviously, providing this quality of housing in the Village keeps people in the village and creates a commercial dynamic and provides a way for the Village to continue to grow from a population standpoint with respect to the development. The original development, there were construction jobs occurring and there is very little ongoing jobs at the site because it is a residential development. There is a small portion or a portion of the bond proceeds that are being used to do improvements to the existing facility, so that is going to improve the appearance and continue to keep the facility at a high level, by way of quality of the services and the housing that it offers to the residents of the village.

Mr. Raymond stated that if they did conventional financing, they could essentially opt out of those taxes for the affordable units in 2020 to 2021, but by doing this financing they will keep the affordables in place throughout the term of the loan and they are actually going to renew it for another 15 years at the maturity date when those credits come do. They are going to stay in place and as Attorney Scott stated, they are setting aside $600,000 for property wide improvements which include landscaping improvements, esthetic improvements above their common areas but it is also going to be cleaning up a lot of exteriors of the buildings including the front portion, the entry point going in to the site.

No further comments or questions.

Chairperson Perfetti closed the public hearing at 3:15 p.m.