

**Chair  
Wallace Altes**

**Vice-Chair  
Steve Bouchey**

**2012 Board Members**

Hon. Dean Bodnar

Mr. Paul Carroll

Hon. Robert Doherty

Louis Anthony

Mary O'Neill

Lisa Kyer

Tina Urzan

**Troy  
Industrial Development  
Authority**

**And**

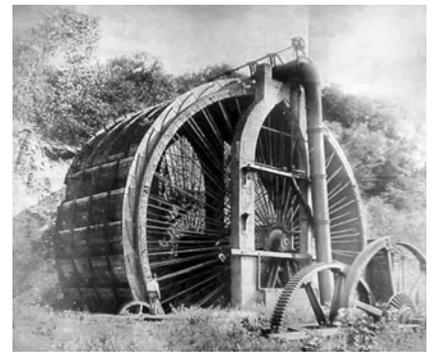
**Capital Resource Corporation**

**BOARD OF DIRECTORS MEETING**

**June 10, 2013  
10:00 a.m.**

**Planning Department Conference  
Room**

**City Hall**



**A G E N D A**

- I. Presentation of CRC Audit by Bollam, Sheedy and Torani.
- II. Approval of the Minutes from the April 15, 2013 Capital Resource Corporation Board meeting.
- III. Approval of the Minutes from the May 13, 2013 IDA Board meeting.
- IV. O'Neil Owners, LLC PILOT schedule
- V. Resolution for Bond transactions
- VI. Update on Riverfront Park Designs
- III. Adjournment

**TROY CAPITAL RESOURCE CORPORATION**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2012 and 2011**

**TROY CAPITAL RESOURCE CORPORATION**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2012 and 2011**

**C O N T E N T S**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6-8
<b>SUPPLEMENTAL INFORMATION</b>	
Statement of Indebtedness	9
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	10-11
Schedule of Findings and Responses	12-13

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Troy Capital Resource Corporation  
Troy, New York

### Report on the Financial Statements

We have audited the accompanying statements of net position of the Troy Capital Resource Corporation (Corporation), as of December 31, 2012 and 2011, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Troy Capital Resource Corporation as of December 31, 2012 and 2011, and the related changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the Corporation's basic financial statements. The schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2013, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
March 29, 2013

**TROY CAPITAL RESOURCE CORPORATION**

**STATEMENTS OF NET POSITION**

	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	<u><b>\$ 294,790</b></u>	<u><b>\$ 301,561</b></u>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 1,820
<b>NET POSITION, unrestricted</b>	<u>294,790</u>	<u>299,741</u>
	<u><b>\$ 294,790</b></u>	<u><b>\$ 301,561</b></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TROY CAPITAL RESOURCE CORPORATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**

	<b>Years Ended December 31,</b>	
	<b>2012</b>	<b>2011</b>
OPERATING REVENUES		
Refund of prior year expenses	\$ -	\$ 1,207
OPERATING EXPENSES		
Professional fees, audit	5,100	7,420
<b>Operating loss</b>	<b>(5,100)</b>	<b>(6,213)</b>
OTHER REVENUES		
Interest income	149	209
<b>CHANGE IN NET POSITION</b>	<b>(4,951)</b>	<b>(6,004)</b>
<b>NET POSITION, unrestricted, <i>beginning of year</i></b>	<b>299,741</b>	<b>305,745</b>
<b>NET POSITION, unrestricted, <i>end of year</i></b>	<b>\$ 294,790</b>	<b>\$ 299,741</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TROY CAPITAL RESOURCE CORPORATION**

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Payments to vendors	\$ (6,920)	\$ (5,600)
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Interest income	149	209
<b>Net decrease in cash</b>	<b>(6,771)</b>	<b>(5,391)</b>
<b>CASH, beginning of year</b>	301,561	306,952
<b>CASH, end of year</b>	<b>\$ 294,790</b>	<b>\$ 301,561</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (5,100)	\$ (6,213)
Changes in operating assets and liabilities		
Accounts payable	(1,820)	613
	<b>\$ (6,920)</b>	<b>\$ (5,600)</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

## TROY CAPITAL RESOURCE CORPORATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*a. Organization and Purpose*

The Troy Capital Resource Corporation (Corporation) was created during 2009 under Section 1411 of the New York State Not-For-Profit Corporation Law. The Corporation, although established by the City Council of the Troy, New York (City), is a separate public benefit corporation and operates independently of the City.

The Corporation was established to promote community and economic development for the citizens of the City by developing and providing programs to access low interest tax-exempt and non-tax exempt financing for eligible projects and undertaking projects and activities within the City for the purpose of relieving and reducing unemployment, improving job opportunities, attracting new industry, or encouraging the development of, or retention of, industry in the City. In return for its efforts, the Corporation receives application and closing fees related to this financing.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

*b. Basis of Accounting and Financial Statement Presentation*

The Corporation's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Corporation is determined by its measurement focus. The transactions of the Corporation are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position.

*c. Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

*d. Tax Status*

The Corporation is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable New York State law.

*e. Revenue Bonds*

Revenue bonds issued by the Corporation are secured by property which is leased to companies and is retired by these payments. The bonds are not obligations of the Corporation or New York State. The Corporation does not record the assets or liabilities resulting from completed bonds issued in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond holders, and funds arising there from are controlled by trustees or banks as fiscal agents. For providing this service, the Corporation receives bond administration fees from the borrowing companies. Such administration fees are recognized immediately upon issuance of the bonds.

At December 31, 2012 and 2011, the original issue value and outstanding balance of bonds issued aggregated \$358,810,000.

*f. Revenue Recognition*

Revenues are recognized when earned, and expenses are recognized when incurred. The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are determined based on the services provided by the Corporation. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**TROY CAPITAL RESOURCE CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*g. New Accounting Pronouncements*

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The Corporation adopted GASB Statements No. 62 and No. 63 as of January 1, 2012, and there was no significant impact to the financial statements.

*h. Subsequent Events*

The Corporation has evaluated subsequent events that provide additional evidence about conditions that existed at the financial statement date through March 29, 2013, the date the financial statements were available to be issued.

**NOTE 2 - CASH**

The Corporation's investment policies are governed by New York State statutes. In addition, the Corporation has its own written investment policy. Corporation monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Corporation is authorized to use demand accounts, money market accounts, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit. Certificates of deposit purchased with a maturity of three months or less are considered cash equivalents. Obligations that may be pledged as collateral are obligations of the United States and its agencies or the State and its municipalities and school districts.

Cash at December 31, 2012 and 2011, was fully collateralized.

**NOTE 3 - RELATED PARTY**

The Corporation's current Board of Directors is the same as that of the Troy Industrial Development Authority (IDA). There were no transactions during 2012 or 2011 between the Corporation and the IDA.

**NOTE 4 - ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term deferred in the financial statements. This statement is effective for periods beginning after December 15, 2012, with earlier application encouraged.

**TROY CAPITAL RESOURCE CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**NOTE 4 - ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED - Continued**

In March 2012, GASB issued Statement No. 66, *Technical Corrections - an Amendment of Statements No. 10 and No. 62*. This statement establishes clarification on two recently issued statements; No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement resolves conflicting guidance created as a result of the issuance of these two statements. This statement is effective for periods beginning after December 15, 2012, with earlier application encouraged.

During June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

The scope of this statement also addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have certain characteristics as defined in the statement. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement is effective for periods beginning after June 15, 2014, with early implementation encouraged.

Management has not estimated the extent of the potential impact of these statements on the Corporation's financial statements.

**TROY CAPITAL RESOURCE CORPORATION**

**SCHEDULE OF INDEBTEDNESS**

Year Ended December 31, 2012

<u>Project Description</u>	<u>Original Issue Date</u>	<u>Original Bond Issued</u>	<u>Current Interest Rate</u>	<u>Outstanding January 1, 2012</u>	<u>Issued During 2012</u>	<u>Principal Payments 2012</u>	<u>Outstanding December 31, 2012</u>	<u>Final Maturity Date</u>
Rensselaer Polytechnic Institute	04/10	\$ 311,630,000	Varies	\$ 311,630,000	\$ -	\$ -	\$ 311,630,000	09/40
Rensselaer Polytechnic Institute	06/10	47,180,000	3.00%	47,180,000	-	1,005,000	46,175,000	09/21
		<u>\$ 358,810,000</u>		<u>\$ 358,810,000</u>	<u>\$ -</u>	<u>\$ 1,005,000</u>	<u>\$ 357,805,000</u>	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Troy Capital Resource Corporation  
Troy, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position of the Troy Capital Resource Corporation (Corporation), as of December 31, 2012, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 12-01 through 12-03.

**The Corporation's Response to Findings**

The Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Corporation's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bollam Sheedy Torani & Co LLP*

Albany, New York  
March 29, 2013

**TROY CAPITAL RESOURCE CORPORATION**

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2012**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?            Yes     X     No
- Significant deficiencies identified that are not considered to be material weaknesses?            Yes     X     None Reported

Noncompliance material to financial statements?            Yes     X     No

**Section II - Financial Statement Findings**

None.

**Section III - Compliance Findings**

**12-01. Posting and Maintaining Reports on Public Authority Websites**

*Criteria:* The New York State Authority Budget Office (ABO) issued Policy Guidance on April 12, 2010, in response to The Public Authorities Reform Act (PARA) of 2009. This guidance states that public authorities are required to make specific information available to the public through the internet.

*Condition:* The Corporation is not in compliance with PARA requirements.

*Effect:* The Corporation is missing specific information required by PARA.

*Cause:* The Corporation did not oversee proper maintenance of a shared website.

*Recommendation:* Using available ABO guidance, the Corporation should update its website and schedule periodic maintenance and review to ensure required information is available to the public in a timely manner.

*View of Responsible Officials:* The Corporation will review the guidance of required documentation and will update missing items by March 31, 2013.

**12-02. Acknowledgement of Fiduciary Duty**

*Criteria:* In accordance with Section 2824 of Public Authorities Law, every Board Member of a Public Authority is required to sign an acknowledgement of fiduciary duty at the time he or she takes the oath of office.

*Condition:* The Corporation was not in compliance with Section 2824 of Public Authorities Law.

*Effect:* The Corporation does not have a signed acknowledgement from a Board Member appointed in 2011.

*Cause:* The Corporation did not provide the new Board Member with the necessary acknowledgement.

*Recommendation:* The Corporation should provide new Board Members with the necessary acknowledgement and ensure that all documents have been properly executed at the time of appointment.

*View of Responsible Officials:* The Corporation is in the process of reviewing and obtaining acknowledgements from all current Board Members.

**TROY CAPITAL RESOURCE CORPORATION**

**SCHEDULE OF FINDINGS AND RESPONSES**

**Year Ended December 31, 2012**

**Section III - Compliance Findings - Continued**

**12-03. Performance Measurement Report**

*Criteria:* Section 2824 of Public Authorities Law states that all local authorities are to develop performance measures to assist the authority in determining how well it is carrying out its mission. Each year the authority is required to publish its performance measurement report.

*Condition:* The Corporation has not prepared a performance measurement report.

*Effect:* The Corporation was not in compliance with Section 2824 of Public Authorities Law.

*Cause:* The Corporation has not developed performance measures.

*Recommendation:* The Corporation should develop performance measurements and evaluate the Corporation based on these measurements on an annual basis.

*View of Responsible Officials and Planned Corrective Actions:* The Authority will review the guidance of the required documentation and will update missing items by March 31, 2013.

Capital Resource Corporation  
433 River Street  
Suite 5001  
Troy, NY 12180

*Financial Statements*

	31-Mar-13 Balance
<b>Assets</b>	
Cash	\$ -
Investment	\$ 294,803.43
<b>Total Assets</b>	<u><u>\$ 294,803.43</u></u>
<b>Liabilities</b>	
	\$ -
<b>Total Liabilities</b>	<u><u>\$ -</u></u>
<b>Fund Equity</b>	
Fund Balance	\$ 294,803.43
<b>Total Fund Equity</b>	<u><u>\$ 294,803.43</u></u>
<b>Total Liability &amp; Fund Equity</b>	<u><u>\$ 294,803.43</u></u>
<b>Revenue</b>	
Interest Income	\$ 36.35
<b>Total Revenue</b>	<u><u>\$ 36.35</u></u>
<b>Expenditures</b>	
Professional Services	
Accounting Services	\$ -
<b>Total Expenditures</b>	<u><u>\$ -</u></u>
	\$ 36.35



March 29, 2013

Board of Directors  
Troy Capital Resource Corporation  
433 River Street  
Troy, New York 12180

Dear Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Troy Capital Resource Corporation (Corporation) for the year ended December 31, 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Corporation.

Very truly yours,

BOLLAM, SHEEDY, TORANI & CO. LLP, CPAs

Paul L. Goetz, Partner

PLG/dmc

**TROY CAPITAL RESOURCE CORPORATION**

**COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE**  
**Year Ended December 31, 2012**

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

**Our Responsibilities and the Planned Scope and Timing of the Financial Statement Audit**

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated March 11, 2013.

**Accounting Practices**

**Preferability of Accounting Policies and Practices**

Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

**Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. Following is a description of accounting standards the Corporation adopted during the year to comply with accounting principles generally accepted in the United States of America (U.S. GAAP):

Effective January 1, 2012, the Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Effective January 1, 2012, the Corporation adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

There were no significant changes to the Corporation's financial statements as a result of adopting the aforementioned accounting standards.

**Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Management's Judgments and Accounting Estimates**

No significant accounting estimates were used in formulating the December 31, 2012, financial statements.

**TROY CAPITAL RESOURCE CORPORATION**

**COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE  
Year Ended December 31, 2012**

**Audit Adjustments**

There were no audit adjustments made to the original trial balance presented to us.

**Uncorrected Misstatements**

There were no uncorrected misstatements noted during our audit of the financial statements.

**Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

**Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

**Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.

**Significant Deficiencies and Material Weaknesses**

Significant deficiencies and material weaknesses, if any, are communicated in the schedule of findings and responses of the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

**Significant Written Communications Between Management and Our Firm**

Copies of significant written communications between our firm and the management of the Corporation, including the representation letter provided to us by management, are attached as Exhibit A.

We will be pleased to respond to any questions you have about these matters. We appreciate the opportunity to be of continued service to you.

This letter is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BOLLAM, SHEEDY, TORANI & CO. LLP, CPAS



Paul L. Goetz, Partner

**TROY CAPITAL RESOURCE CORPORATION**  
**CERTAIN WRITTEN COMMUNICATIONS BETWEEN**  
**MANAGEMENT AND OUR FIRM**  
**Year Ended December 31, 2012**

Representation Letter

CAPITAL RESOURCE CORPORATION  
TROY CITY HALL

March 29, 2013

Bollam, Sheedy, Torani & Co. LLP, CPAs  
26 Computer Drive West  
Albany, New York 12205

This representation letter is provided in connection with your audits of the financial statements of the Troy Capital Resource Corporation (Corporation), which comprise the statements of net position as of December 31, 2012 and 2011, and the related statements of revenues, expenses, and changes in net position and cash flows, and the related notes to the financial statements for the years then ended. We confirm that we are responsible for the fair presentation in the financial statements of net position, revenues, expenses, and changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of your independent auditor's report, the following representations made to you during your audits:

*Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated March 11, 2013, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

The Corporation's accounting principles and the practices and methods followed in applying them, are as disclosed in the financial statements, and there have been no changes during the years ended December 31, 2012 and 2011, in the Corporation's accounting principles and practices, except as noted herein.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

433 RIVER ST, SUITE 5001, TROY, NEW YORK

5. The following have been properly recorded and/or disclosed in the financial statements:
  - a. Related party transactions including those as defined in Section 2250 of Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, and/or interfund transactions including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transactions.
  - b. Arrangements involving restrictions on cash balances.
  - c. Restrictions of net position.
  - d. Deposit disclosures required under Section C20: *Cash Deposits with Financial Institutions* of GASB's Codification of Governmental Accounting and Financial Reporting Standards.

*Information Provided*

6. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audits.
  - c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Corporation Governing Board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from grantors, lenders, other funding sources, or regulatory agencies concerning noncompliance with:
    - 1) Statutory, regulatory, or contractual provisions or requirements, and
    - 2) Financial reporting practices that could have a material effect on the financial statements.
7. We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 GASB's Codification of Governmental Accounting and Financial Reporting Standards.
8. All transactions have been recorded in the accounting records and are reflected in the financial statements.
9. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
10. We have no knowledge of allegations of fraud or suspected fraud affecting the Corporation's financial statements involving:
  - a. Management.
  - b. Employees or volunteers who have significant roles in the internal control.
  - c. Others where the fraud could have a material effect on the financial statements.

11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements received in communications from employees, former employees, or others.
12. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
13. We know of no violations of state or federal statutory or regulatory provisions, grants or other contractual provisions, or of provisions of local ordinances.
14. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with GASB Statement No. 62.
15. We have disclosed to you the identity of the Corporation's related parties and all the related-party relationships and transactions of which we are aware.
16. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize, and report financial data.
17. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
18. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private or to special assessment bond holders that is not disclosed in the financial statements.
19. We have no plans or intentions that may materially affect the carrying value or classification of assets.
20. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions and disclosure have been made to reduce receivables to their estimated net collectible amounts.
21. There are no:
  - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
  - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Corporation or any equivalent state agencies in connection with any environmental contamination.
  - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
  - d. Guarantees, whether written or oral, under which the Corporation is contingently liable.
  - e. Arrangements with financial institutions involving compensating balances, line-of-credit, or similar arrangements.
  - f. Agreements to repurchase assets previously sold.

- g. Security agreements in effect under the Uniform Commercial Code.
  - h. Liens or encumbrances on assets or revenues or any assets or revenues which are pledged as collateral for any liability or which are subordinated in any way.
  - i. Contractual obligations for plant construction or purchase of real property, equipment, other assets, or intangibles.
  - j. Liabilities which are subordinated in any way to actual or possible liabilities.
  - k. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
  - l. Debt issue provisions.
  - m. Leases or material amounts of rental obligations under long-term leases.
  - n. Concentration of credit risk.
  - o. Investment securities.
  - p. Authorized but unissued bonds or notes.
  - q. Risk financing activities.
  - r. Derivative financial instruments.
  - s. Obsolete, damaged, or excess inventories to be reduced to their estimated net realizable values.
  - t. Impairments of long-lived assets or other assets which have permanently declined in values that require adjustment to their realizable values.
  - u. Risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2012 and 2011, or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2012 and 2011.
  - v. Pension obligations, post-retirement benefits other than pensions, or deferred compensation agreements attributable to employee services rendered through December 31, 2012 and 2011.
  - w. Material losses to be sustained in the fulfillment of or from the inability to fulfill any service commitment.
  - x. Material losses to be sustained as a result of purchase commitments.
  - y. Pollution remediation obligations as defined by Section P40 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.
  - z. Significant estimates or material concentrations known to management. Significant estimates are estimates at the statement of net position dates that could change materially in the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances the next year.
  - aa. Organizations for which the nature or significance of their relationship with the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
22. The Corporation has satisfactory title to all owned assets.

23. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of any federal awards over \$500,000 during the periods of these audits.
24. With respect to the supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
25. We are responsible for determining that significant events or transactions that have occurred since the statement of net position date and through March \_\_\_\_, 2013, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of net position date and through March \_\_\_\_, 2013, that would require recognition or disclosure in the financial statements. We further represent that as of March \_\_\_\_, 2013, the financial statements were complete in a form and format that complied with U.S. GAAP, and all approvals necessary for issuance of the financial statements had been obtained.
26. Effective January 1, 2012, we adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.
- Effective January 1, 2012, we adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.
27. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

*Government Auditing Standards*

28. We are responsible for compliance with laws and regulations applicable to the Corporation, including the requirement of adopting, approving, and amending budgets.
29. We have identified and disclosed to you:
- a. All laws and regulations that have a direct and material effect on the determination of financial statement amounts or other financial data significant to audit objectives.
  - b. Violations and possible violations of laws, regulations, and provisions of contracts and other agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.

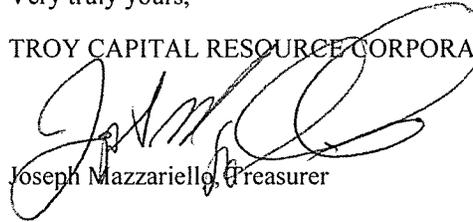
30. We have taken timely and appropriate action to evaluate and address fraud, illegal acts, violations of provisions of contracts or other agreements, or abuse that has been reported.

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31. We have implemented a process to track the status of audit findings and recommendations.
32. We have identified for you previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the correction action taken to address significant findings and recommendations.
33. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned correction actions for the report.
34. We have reviewed, approved, and take full responsibility for the financial statements, related notes, required supplementary information and supplementary information and acknowledge the auditor's role in the preparation of this information.
35. We have reviewed, approved, and take full responsibility for all accrual adjustments and acknowledge the auditor's role in the preparation of the adjustments.

Very truly yours,

TROY CAPITAL RESOURCE CORPORATION



Joseph Mazzariello, Treasurer

# City of Troy Capital Resource Corporation

## Board of Directors Meeting

April 15, 2013

10:15 a.m.

### Planning Department Conference Room City Hall

#### Minutes

Present: Wallace Altes, Hon. Robert Doherty, Dean Bodnar, Tina Urzan, Bill Dunne, Selena Skiba, Justin Miller Esq., Ken Crowe, Ian Benjamin and Denee Zeigler

Absent: Lou Anthony, Paul Carroll, Mary O'Neill and Lisa Kyer

Wally Altes called the meeting to order at 10:15 a.m. and advised the board that because the CRC and IDA have the same board, they would be meeting as a whole.

- I. Approval of Minutes from the February 11, 2013 meeting.

**Hon. Robert Doherty made the motion to approve the minutes.**

**Dean Bodnar seconded the motion, motion carried.**

- II. Update on MOU between RPI and CRC

The Chairman introduced the MOU to the board and asked Bill Dunne to talk a little about it. Bill Dunne explained that the MOU is between the CRC and RPI for the creation of a studio to develop design ideas to create family friendly 'playscapes' in the new Riverfront Park. The Chairman recapped that they are looking for funding in the amount of \$14,000 for Phase 1 of their project. They will come back at a later time for additional funding.

Hon. Robert Doherty questioned if we would have complete rights to the ideas they develop. Bill Dunne explained that ownership rights of the ideas were one of the items that they discussed in length, but did come to an agreement on the issue. The class should be wrapping up in May. He will be in contact with the professor to see about getting a tour of the studio. Dean Bodnar wanted to clarify that the motion today is only for the \$14,000, not the other phases. Bill Dunne explained that this phase was only for design studio expenses.

Tina Urzan asked if it would be possible to preview or approve the designs before they commit to one design. She wanted to make sure that the ideas incorporate themes and the history of The City. Bill Dunne assured the board that the ideas will be relevant to the City and its history.

**Tina Urzan made a motion to approve funding for Phase 1.  
Steve Bouchey seconded the motion, motion carried.**

The Chairman moved to recess the CRC portion of the meeting and discuss IDA agenda items at 10:25 a.m.

The CRC meeting resumed at 10:40 a.m.

- III. While recessed, the board discussed the downtown security camera project that was on the IDA agenda. They determined that the request for support should be moved to the CRC agenda for discussion and a vote. The Chairman asked the board if they had any questions about drafting a MOU between the CRC and The City of Troy to provide matching funds to their security camera installation grant.

**Hon. Robert Doherty made a motion to draft an MOU  
with The City of Troy to provide matching grant funds for  
security cameras.**

**Dean Bodnar seconded the motion, motion carried.**

- IV. Adjournment

**Tina Urzan made the motion to adjourn.**

**Dean Bodnar seconded the motion, motion carried.**

The board adjourned at 10:45 a.m.

# City of Troy Industrial Development Authority

May 13, 2013  
10:05 AM  
Meeting Minutes

**Present:** Wallace Altes, Hon. Robert Doherty, Hon. Dean Bodnar, Paul Carroll, Tina Urzan, Louis Anthony and Bill Dunne

**Absent:** Steve Bouchey, Mary O'Neill and Lisa Kyer

**Also in attendance:** Justin Miller, Esq., Paul Goetz, Joe Mazzariello, Dean Sanders, Elon Emanuel and Denee Zeigler

The meeting was called to order at 10:05 a.m. The Chairman introduced Paul Goetz of Bollam, Sheedy, Torani & Co. LLP to the board.

- I. The chairman asked for a motion to approve the meeting minutes from the April 15, 2013 Board Meeting.

**Tina Urzan made a motion to approve the minutes.  
Hon. Dean Bodnar seconded the motion, motion  
carried.**

- II. New Business

1. BST Audit Presentation

Paul Goetz gave a presentation to the board about the 2012 audit. Mr. Goetz gave a summary of each page of the packet. He wanted to point out that the board was given an unqualified opinion, the highest opinion available. Mr. Goetz spoke about the balance sheet explaining that it shows what is scheduled for the year as income. He wanted to suggest to the board that the funds that we reimburse to the City, \$85,000, may want to be put in front of the board for review in the future. The board agreed that this would be a good idea going forward. Mr. Goetz also wanted to note that there would be a change showing next year due to the unrestricting of the \$350,000.

The board was made aware of some compliance findings regarding PARIS reporting and maintaining the website. Mr. Goetz explained the audit conduct letters are set up in a negative manner, but there was nothing negative to report. The Chairman asked if the board had any questions regarding the presentation. Hon. Dean Bodnar asked if Mr. Goetz would be back to present the audit findings for the CRC. The Chairman advised that he will be back next month.

**Paul Carroll made a motion to approve the BST audit.  
Tina Urzan seconded the motion, motion carried.**

2. Mansions at the Water's Edge, LLC- 2 River Street

Monica Kurzejeski introduced Elon Emanuel and Dan Sanders to the board. Elon Emanuel spoke to the board about his recent purchase of the 100,000 sq. ft. Old Brick Furniture building. He proposes 68 high end residential apartments on the upper floors, Old Brick Furniture on the first floor and a small gym in the basement. Currently, you enter into the building on River Street and there is a loading dock in the rear. Mr. Emanuel explained that he would like to move the main entrance to the back of the building where the parking lot is. The building will be completely handicap accessible with mostly 2 bedroom apartments and a few 3 bedroom. Phase I will start with the 4<sup>th</sup> and 5<sup>th</sup> floors, phase II will be the 3<sup>rd</sup> and 2<sup>nd</sup> floor and phase III will be the 1<sup>st</sup> floor and basement. Mr. Emanuel estimated that the whole project should be completed in 3-3 ½ years with the top floors ready to occupy in about 18 months. He noted that the building is visible from 787 and will be cleaning up the façade. Mr. Emanuel wanted to present his project to the board to see what financial assistance may be available. Justin Miller suggested a PILOT program would give him some flexibility. He advised that we will set up a meeting for assistance available and to set up a public hearing.

Bill Dunne asked about their development background. Mr. Emanuel spoke to the board about a project that was recently completed in an old monastery in Glens Falls, NY. They took a building that had a great outside and not much on the inside, Mr. Emanuel explained that they made higher end apartments where the tenants are very comfortable. Mr. Emanuel stated that there is a need for higher end apartments. People seem to be moving away from owning their own houses to owning upscale apartments that have all amenities. Dan Sanders mentioned to the board that he is currently working on renovating an old warehouse at 172-174 River Street into apartments.

Bill Dunne asked if the fitness center will be only for residents or commercial. Mr. Emanuel advised it would have its own entrance and be commercial. Tenants would have an access key. Bill Dunne welcomed him to his first project in Rensselaer County. Hon. Dean Bodnar asked the range of rent. Mr. Emanuel answered \$1850 and up. The Chairman asked if he would consider putting in security cameras. Mr. Emanuel explained they would have security cameras as well as an enclosed parking lot for tenants. Monica Kurzejeski mentioned the project will be the first to go through the planning and zoning boards in the Waterfront Overlay district. Justin Miller commented that a public hearing will be set for June or July.

The Chairman asked if there were any other questions regarding the project.

**Paul Carroll made a motion to accept Mansions on the Water's Edge, LLC's application for financial assistance and move forward by setting up a public hearing. Hon. Robert Doherty seconded the motion, motion carried.**

See Resolution No. 05/13 - #1 attached.

3. Arts Center refinance

The Chairman asked to take a look at the Arts Center refinance which was tabled at the last meeting. Justin Miller spoke to the board regarding the refinance of tax exempt bonds that were issued in 2000. A better interest rate is available to them and the board is required to vote on any changes. Bob Doherty noted that they are active and important to the area. Any help from us would be great for them. The chairman asked if there were any additional questions from the board members. The Chairman advised that he will abstain from the vote due to his spouse being on the board of the Arts Center.

**Hon. Robert Doherty made a motion to approve the refinance of bonds for The Arts Center. Tina Urzan seconded the motion. Wallace Altes abstained from the vote. Motion carried.**

See Resolution 05/13 - #2 attached.

4. Dauchy/River Triangle, LLC

Bill Dunne spoke to the board about an application that was received from Sonny Bonacio, who recently purchased the Dauchy Building, River Triangle Building and former Cinema Art building. His plan is to put market rate apartments in the upper floors of the Dauchy building and keep businesses on the first floor. He has not submitted final plans for the Cinema Art building and does not have any changes for the River Triangle building at this time. Justin Miller spoke about the resolution that was in front of the board. He advised there is 148,000 sq.ft. between the two buildings. Bonacio proposes 25 units on the upper floors and businesses on the first floor; some new and some current tenants. Bonacio is planning on spending about \$4.5 million for this project. Hon. Dean Bodnar questioned if the River Triangle building is also being worked on. Bill Dunne answered not at this time. Mr. Dunne added that the apartments will be around \$1,000-\$1,200, similar to the Keenan Building apartments. Tina Urzan spoke about the two

projects discussed today that had to do with residential units and expressed concern about the rent amount being charged for this area. Monica Kurzejeski mentioned that the apartments in the Keenan Building are full and currently have a waiting list, so there is a market for them. Justin Miller advised the board that he will work on setting up a public hearing for the near future. The Chairman asked if there were any other questions from the board members. Hon. Bob Doherty added that Sonny Bonacio was a speaker at the last BID meeting and he seemed like a dynamic builder that produces a good product.

**Paul Carroll made a motion to approve the initial project resolution for Dauchy/River Triangle LLC. Hon. Dean Bodnar seconded the motion, motion carried.**

See Resolution No. 05/13 - #3 attached.

5. 273 River Street – Riverfront Park Access

Bill Dunne spoke about a parcel of land that was most recently a parking deck for about 10 parking spaces. It was closed last year due to some safety concerns. Some work had been done in the past to secure the deck, but that work has not held up. The project Bonacio is working on at the Dauchy Building next door has pushed us forward to address this problem immediately. The Riverfront Park bid included it as additional park access. A match is being sought to CFA monies. A conceptual design was done by Architecture+ that includes storage underneath for park supplies. This will allow us to remove a piece of City property that needs to be repaired, allow access to the park and is well lit. Hon. Dean Bodnar asked if there would be a ramp in the design. Bill Dunne was not sure at this time.

Mr. Dunne stated the IDA would have the funds available up front and then be reimbursed. Hon. Dean Bodnar questioned the amounts, was it \$500,000 or \$350,000. Bill Dunne explained that up to \$700,000 is needed for matching funds. There is still a lot of designing and planning to do in order to get an accurate number. Monica Kurzejeski noted that it is a key piece to the Downtown; Arts Center, Monument Square, the merchants, etc. They are all IDA projects and connected to this project. The Chairman asked what its visual impact will be. Monica Kurzejeski advised that they will be able to see the park and River from the street. It will connect the events to River Street. Maybe add something to draw people's attention down to the park. Hon. Dean Bodnar discussed the stairway between the chamber and old City Hall. This will be in contrast to the current staircase. Tina Urzan asked if this would affect the Old City Hall site project. Bill Dunne explained that it is pretty far north of that site. It should not have much affect on the

surrounding buildings or area. Tina Urzan questioned the apartments being built by the Judge Development project at Riverfront Park. Bill Dunne advised they are going to be market rate apartments.

Hon. Bob Doherty asked how much they were looking for. Bill Dunne answered it is up to the board. Up to \$350,000 will be reimbursable for the total cost of \$500,000 or \$700,000. The Chairman suggested we could authorize up to \$500,000 in order to get reimbursed half with the understanding that we might come back for more. Hon. Dean Bodnar asked if we would be seeing any of these funds coming back to us. Justin Miller explained that we would essentially be taking some of the match responsibility off of the City. Monica Kurzejeski suggested it may be a good idea to have a plaque thanking the IDA. Justin Miller also added that we have a lot of projects in the works that will be collecting administrative fees. Bill Dunne agreed that there are many projects on the horizon and this would be a great use for IDA funds. Justin Miller advised the resolution is for up to \$500,000 with a \$250,000 match. The Chairman asked if there were any further questions from the board.

**Hon. Dean Bodnar made a motion to approve the resolution for assistance for the Riverfront Park access project up to \$500,000.**

**Tina Urzan seconded the motion, motion carried.**

See Resolution 05/13 - #4

#### 6. Financials

Joe Mazzariello spoke to the board about the current financials for the board. He agreed that the board should review reimbursement payments between the City and IDA.

Justin Miller questioned if the payments for IBT were current. Joe Mazzariello advised he believes they are, but will check into it. Justin Miller asked for clarification on the \$215,000 due to other governments. Joe Mazzariello explained that they are PILOT payments.

#### IV. Adjournment 11:19

The Chairman thanked everyone for attending and advised they can stay for the Governance Committee portion of the meeting if they would like.

**Tina Urzan made a motion to adjourn.**

**Lou Anthony seconded the motion, motion carried.**

**INITIAL PROJECT RESOLUTION**  
*(Mansions at the Water's Edge LLC Project)*

A regular meeting of the Troy Industrial Development Authority (the "Authority") was convened on May 13, 2013, at 10:00 a.m., local time, at 433 River Street, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Wallace Altes	√	
Hon. Dean Bodnar	√	
Hon. Robert Doherty	√	
Steve Bouchey		√
Louis Anthony	√	
Paul Carroll	√	
Mary O'Neill		√
Lisa Kyer		√
Tina Urzan	√	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Esq., Paul Goetz, Joe Mazzariello, Dean Sanders, Elon Emanuel and Denee Zeigler

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Mansions at the Water's Edge LLC.

On motion duly made by Paul Carroll and seconded by Lou Anthony, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Wallace Altes	√			
Hon. Dean Bodnar	√			
Hon. Robert Doherty	√			
Steve Bouchey				√
Louis Anthony	√			
Paul Carroll	√			
Mary O'Neill				√
Lisa Kyer				√
Tina Urzan	√			

Resolution No. 05/13 - #1

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF MANSIONS AT THE WATER'S EDGE LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **MANSIONS AT THE WATER'S EDGE LLC** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold or other interest in a certain parcel of real property located at 2 River Street, Troy, New York 12180 (the "Land", being comprised of approximately .75 acre parcel of real property and more particularly identified as TMID No. 100.76-9-24) and the existing improvements located thereon, including an approximately 110,000 square foot, multi-story commercial and warehouse building structure located thereon (the "Existing Improvements"); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to provide for up to 75 market rate apartment units, including the reconfiguration of existing commercial and warehouse space to accommodate apartment units, along with the installation and improvement of common areas, heating systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the "Improvements"), all of the foregoing intended for the Company's ownership and operation of the Improvements as a commercial housing facility that will be leased by the Company to residential tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back to the Company; and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority 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; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed Financial Assistance being contemplated by the Authority includes (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, pursuant to which the Company leases the Land and Existing Improvements to the Authority, (B) a related Leaseback Agreement, pursuant to

which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the PILOT Agreement are consistent with the Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 5. These Resolutions shall take effect immediately.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    )

I, Denee Zeigler, the undersigned, Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on May 13, 2013, 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 Authority 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 Authority 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 Authority this 13th day of May, 2013.

  
\_\_\_\_\_

(SEAL)

**RESOLUTION**  
(The Arts Center of the Capital Region Project)

A regular meeting of the Troy Industrial Development Authority (the “Issuer”) was convened on May 13, 2013, at 10:30 a.m., local time, at 433 River Street, 5<sup>th</sup> Floor, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Issuer were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Wallace Altes	√	
Hon. Dean Bodnar	√	
Hon. Robert Doherty	√	
Steve Bouchey		√
Louis Anthony	√	
Paul Carroll	√	
Mary O’Neill		√
Lisa Kyer		√
Tina Urzan	√	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Esq., Joe Mazzariello, Monica Kurzejeski and Denee Zeigler

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a project previously undertaken for the benefit of The Arts Center of the Capital Region.

On motion duly made by Hon. Bob Doherty and seconded by Tina Urzan, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Wallace Altes			√	
Hon. Dean Bodnar	√			
Hon. Robert Doherty	√			
Steve Bouchey				√
Louis Anthony	√			
Paul Carroll	√			
Mary O’Neill				√
Lisa Kyer				√
Tina Urzan	√			

Resolution No. 05/13 - #2

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE “ISSUER”) APPROVING THE EXECUTION OF A SUPPLEMENTAL AGENCY AGREEMENT, SUPPLEMENTAL INSTALLMENT SALE AGREEMENT, AMENDED AND RESTATED TAX AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO SERIES 2000 BONDS ISSUED FOR THE BENEFIT OF THE ARTS CENTER OF THE CAPITAL REGION FOR THE PURPOSE OF PROVIDING A LOWER INTEREST RATE ON SUCH BONDS. THE ACTIONS CONTEMPLATED BY THIS RESOLUTION IN NO WAY IMPAIR OR IMPACT THE ISSUER’S ROLE IN THIS TRANSACTION.

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the “Act”), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the “Issuer”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, on or about April 28, 2000, the Issuer issued its \$1,200,000 Civic Facility Revenue Bonds (The Arts Center of the Capital Region Project), Series 2000 (the “Series 2000 Bonds”) for the purpose of assisting The Arts Center of the Capital Region (the “Company”) in financing certain capital projects in and around its arts center facility located in at 261-271 River Street, in the City of Troy, New York; and

WHEREAS, the Series 2000 Bonds were issued pursuant to a certain Agency Agreement, dated as of April 1, 2000 (as the same has been amended and supplemented, the “2000 Agreement”), by and between the Issuer and First Niagara Bank, N.A., as successor by merger to The Troy Savings Bank (the “Bondholder”); and

WHEREAS, in connection with the issuance of the Series 2000 Bonds, the Issuer and the Company entered into a certain Installment Sale Agreement, dated as of April 1, 2000 (the “2000 Sale Agreement”) and a certain Tax Regulatory Agreement, dated April 28, 2000 (the “2000 Tax Agreement”); and

WHEREAS, the Company has advised the Issuer that it desires to amend and supplement the Agreement, the Sale Agreement, the Tax Agreement and related documents in order to provide for a lower interest rate on the Series 2000 Bonds; and

WHEREAS, in connection with the interest rate modification, the Issuer, the Bondholder and the Company desire to amend and/or supplement (a) the Agreement pursuant to a Supplemental Agent Agreement, by and between the Issuer and the Bondholder (the “Supplemental Agreement”), (b) the Sale Agreement, pursuant to a Supplemental Installment

Sale Agreement (the “Supplemental Sale Agreement”), (c) the Tax Agreement pursuant to an Amended and Restated Tax Regulatory Agreement (the “Amended Tax Agreement”), and (e) the Bonds, pursuant to an Amended Bond (the “Amended Bond”), and execute and deliver any documents necessary and incidental thereto; and

WHEREAS, the Issuer desires to adopt a resolution approving the foregoing.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Issuer hereby approves the amendment of the Agreement, the Sale Agreement, the Tax Agreement, the Bonds and any documents necessary in order to provide for the modification of the interest rate on the Series 2000 Bonds.

Section 2. The Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Supplemental Agreement, the Supplemental Sale Agreement, the Amended Tax Agreement and the Amended Bond and any documents necessary and incidental thereto (collectively, the “Supplemental Documents”) , all in substantially the forms thereof as approved by counsel to the Issuer and/or Bond Counsel with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Issuer shall approve. The execution of all such documents by the Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Issuer shall constitute conclusive evidence of such approval.

Section 3. The Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer to execute and file Internal Revenue Service Form 8038 (the “Information Return”) for the Amended Bond.

Section 4. The officers, employees, and agents of the Issuer are hereby authorized and directed for and in the name and or behalf of the Issuer to do all acts and things required or provided by the provisions of the Supplemental Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Issuer with all of the terms, covenants, and provisions of the Supplemental Documents binding upon the Issuer.

Section 5. Due to the complex nature of this transaction, the Issuer hereby authorizes its Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer to approve, execute and deliver such further agreements, documents and certificates as the Issuer may be advised by counsel to the Issuer or Bond Counsel to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Issuer.

Section 6. This resolution shall take effect immediately.

SECRETARY'S CERTIFICATE

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

I, Denee Zeigler, the undersigned, Secretary of the TROY INDUSTRIAL DEVELOPMENT AUTHORITY, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the special meeting of the Troy Industrial Development Authority (the "Issuer"), including the resolution contained therein, held on May 13, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer 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 Issuer 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Issuer this 13th day of May, 2013.

[SEAL]

  
(Asst.) Secretary

**INITIAL PROJECT RESOLUTION**  
*(Dauchy/River Triangle, LLC Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on May 13, 2013, at 10:00 a.m., local time, at 433 River Street, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Wallace Altes	√	
Hon. Dean Bodnar	√	
Hon. Robert Doherty	√	
Steve Bouchey		√
Louis Anthony	√	
Paul Carroll	√	
Mary O’Neill		√
Lisa Kyer		√
Tina Urzan	√	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Esq., Joe Mazzariello, Monica Kurzejeski and Denee Zeigler

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Dauchy/River Triangle, LLC.

On motion duly made by Paul Carroll and seconded by Hon. Dean Bodnar, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Wallace Altes	√			
Hon. Dean Bodnar	√			
Hon. Robert Doherty	√			
Steve Bouchey				√
Louis Anthony	√			
Paul Carroll	√			
Mary O’Neill				√
Lisa Kyer				√
Tina Urzan	√			

Resolution No. 05/13 - #3

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF DAUCHY/RIVER TRIANGLE, LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **DAUCHY/RIVER TRIANGLE, LLC** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold or other interest in certain parcels of real property located at 275-283 and 285 River Street, Troy, New York 12180 (the "Land", being comprised of approximately .42 acres of real property and more particularly identified as TMID Nos. 101.45-5-8 and 101.45-5-3) and the existing improvements located thereon, including an approximately 148,000 square feet of multi-story commercial building structures located thereon, including a mixed-use commercial and residential structure and former theater (the "Existing Improvements"); (B) the renovation, reconstruction, refurbishing and equipping by the Company as agent of the Authority of the Existing Improvements to provide for multi-tenanted commercial facilities and 25 market rate apartment units, including the reconfiguration of existing commercial and theater space to accommodate upgraded commercial and retail spaces and apartment units, along with the installation and improvement of common areas, heating systems, plumbing, roofs, windows and other site and infrastructure improvements (collectively, the "Improvements"), all of the foregoing intended for the Company's ownership and operation of the Improvements as a mixed-use commercial, retail and housing facility that will be leased by the Company to commercial, retail and residential tenants; (C) the acquisition of and installation in and around the Land, Existing Improvements and Improvements of certain machinery, fixtures, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and (D) the lease of the Authority's interest in the Facility back to the Company; and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application and in related correspondence, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority 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; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed Financial Assistance being contemplated by the Authority includes (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice

and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, pursuant to which the Company leases the Land and Existing Improvements to the Authority, (B) a related Leaseback Agreement, pursuant to which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project and (ii) the terms of the PILOT Agreement are consistent with the Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 5. These Resolutions shall take effect immediately.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK )  
COUNTY OF RENSSELAER )

I, Denee Zeigler, the undersigned, Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on May 13, 2013, 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 Authority 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 Authority 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 Authority this 13th day of May, 2013.

Denee Zeigler

(SEAL)

**PROJECT AUTHORIZING RESOLUTION**  
*(Riverfront Park Access Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on May 13, 2013, at 10:00 a.m., local time, at 433 River Street, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Wallace Altes	√	
Hon. Dean Bodnar	√	
Hon. Robert Doherty	√	
Steve Bouchey		√
Louis Anthony	√	
Paul Carroll	√	
Mary O’Neill		√
Lisa Kyer		√
Tina Urzan	√	

The following persons were ALSO PRESENT: Bill Dunne, Justin Miller, Esq., Joe Mazzariello, Monica Kurzejeski and Denee Zeigler

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of the City of Troy and various Authority projects located in the vicinity of Monument Square.

On motion duly made by Hon. Dean Bodnar and seconded by Tina Urzan, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Wallace Altes	√			
Hon. Dean Bodnar	√			
Hon. Robert Doherty	√			
Steve Bouchey				√
Louis Anthony	√			
Paul Carroll	√			
Mary O’Neill				√
Lisa Kyer				√
Tina Urzan	√			

Resolution No. 05/13 - #4

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") AUTHORIZING THE FUNDING OF A CERTAIN RIVERFRONT ACCESS PROJECT (AS MORE FULLY DEFINED BELOW); ALONG WITH THE EXECUTION AND DELIVERY OF AGREEMENTS WITH THE CITY OF TROY RELATING THERETO.

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities within the City of Troy (the "City") as authorized by the Act; and

WHEREAS, the Authority previously undertook and proposes to undertake several qualifying projects in the vicinity of Monument Square in the City, including, but not limited to (i) a tax-exempt bond issuance for the benefit of the Arts Center of the Capital Region, Inc., (ii) a commercial parking redevelopment project for Uncle Sam Garages, LLC, (iii) a market-rate housing redevelopment project for Troy Living, LLC, (iv) an affordable housing redevelopment project for Monument Square Associates LP, and prospectively, (v) a mixed-use redevelopment project at 275-283 and 285 River Street for Dauchy/River Triangle, LLC (collectively, the "Authority Projects"); and

WHEREAS, the Authority desires to facilitate continued upgrades and improvements to the Monument Square area of the City for the benefit of the Authority Projects; and

WHEREAS, the City, in furtherance of the ongoing development of Riverfront Park and One Monument Square, previously applied for and secured grant funding (the "Grant") through the New York State Department of State ("DOS") Local Waterfront Redevelopment Program ("LWRP") to undertake certain waterfront access improvements in the vicinity of Monument Square, including the proposed demolition of an existing parking deck located upon an approximately .10 acre parcel of land located at 273 River Street (the "Land", being identified as TMID No. 101.45-5-7) and the construction upon the Land of a waterfront access staircase and related public access amenities and improvements to benefit the City and Monument Square neighborhood, including the condition of public infrastructure supporting the Projects (collectively, the "Access Project"); and

WHEREAS, in furtherance and for the benefit of the Authority Projects, the Authority desires to assist the City undertake the Access Project through the provision of Authority funding to serve as matching funds for the Grant; and

WHEREAS, it is contemplated that the Authority will (i) authorize the expenditure of up to \$500,000.00 in Authority funds to facilitate the City's undertaking of the Access Project, (ii) authorize the reimbursement from the City of up to \$250,000 in Grant funding once received from DOS, (iii) authorize the execution and delivery of one or more agreements with the City to memorialize the foregoing, and (iv) adopt findings related to the Access Project pursuant to the State Environmental Quality Review Act ("SEQRA").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority 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; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the City to develop the Access Project, which will directly support and benefit the Authority Projects and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(E) The Authority hereby assumes Lead Agency status for review of the Access Project, within the meaning of, and for all purposes of complying with SEQRA. Based upon a review of the EAF and related materials prepared by the City attached hereto as **Exhibit A**, the Authority finds that the construction of the Access Project involves an "Unlisted Action" (as such quoted term is defined under SEQRA) for which the Authority will conduct an uncoordinated review. Based upon the review by the Authority of the EAF and related documents delivered by the City to the Authority, the Authority hereby finds that (i) the Access Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Access Project will not have a "significant effect on the environment" (as such quoted term is defined under SEQRA); and (iii) no "environmental impact statement" (as such quoted term is defined under SEQRA) need be prepared for this action. This determination constitutes adoption of a Negative Declaration (as such quoted terms

are defined under SEQRA) for purposes of SEQRA. No further review or action is required pursuant to SEQRA with respect to the Access Project.

Section 2. The Authority hereby authorizes the expenditure of up to \$500,000 in furtherance of the City's undertaking of the Access Project. The Authority further authorizes the acceptance of up to \$250,000 in reimbursement funding from the City derived from the Grant. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to execute and deliver any funding agreements with the City deemed necessary and appropriate to memorialize the foregoing, subject to review and approval by counsel to the Authority.

Section 3. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such 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 resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 4. These Resolutions shall take effect immediately.

**EXHIBIT A**  
ENVIRONMENTAL ASSESSMENT FORM (EAF)  
AND SUPPORTING MATERIALS

**SECRETARY'S CERTIFICATION**

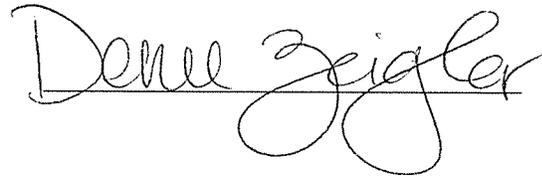
STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    )

I, Denee Zeigler, the undersigned, Secretary of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on May 13, 2013, 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 Authority 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 Authority 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 Authority this 13th day of May, 2013.



(SEAL)

**TROY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**Post-Issuance Tax Compliance Procedures**  
**For Conduit Tax-Exempt Bond Issues**

**June 17, 2013**

The purpose of these Post-Issuance Tax Compliance Procedures is to establish post issuance policies and procedures in connection with tax-exempt conduit bonds (the “Bonds”) issued by the Troy Industrial Development Authority (the “Issuer”) so that all applicable post-issuance requirements of federal income tax law needed to maintain the tax-exempt status of the Bonds are met. The Bonds are qualified private activity bonds issued by the Issuer the proceeds of which are lent to borrowers owning or operating a qualified facility (each, a “Borrower” and collectively, “Borrowers”). The Bonds are repaid from payments on the loan funded with Bond proceeds. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Issuer also reserves the right to change these policies and procedures from time to time.

**General**

Inasmuch as the Issuer is a responsible conduit issuer authorizing the issuance of Bonds for Borrowers, the Issuer now identifies post-issuance tax compliance procedures for all Bonds authorized by the Issuer on behalf of Borrowers, as well as the Issuer’s expectations and requirements for all such Borrowers of Bond proceeds concerning these procedures.

**Post-Issuance Compliance Requirements**

1. External Advisors / Documentation

The Issuer and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax compliance agreement (“Tax Agreement”) and/or other documents pertaining to the Bonds that are finalized in connection with the issuance of the Bonds. Those requirements and procedures shall address future compliance with applicable arbitrage rebate requirements, ongoing limitations on private activities at facilities financed with the Bonds during (and in some cases beyond) the period that the Bonds or any bonds refunding the Bonds are outstanding, as well as applicable remediation provisions, and all other applicable post-issuance requirements of federal tax law.

The Borrower also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets. Such requirement shall be documented in the Tax Agreement and/or other documents pertaining to the Bonds which are executed in connection with the issuance of the Bonds.

The Issuer shall encourage or require the Borrower to engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds in the manner more fully set forth below.

Unless otherwise provided by the indenture or similar document relating to the Bonds, unexpended Bond proceeds shall be held by a trustee or other financial institution, and the investment of Bond proceeds shall be managed by the Borrower. The Borrower shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Issuer if it so requests.

## 2. Arbitrage Rebate and Yield

The Borrower shall be responsible for compliance with all requirements under federal arbitrage laws. In particular, the Borrower is responsible for:

- determining the likelihood of complying with an arbitrage rebate exemption;
- if necessary, engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, delivering or causing the trustee to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds;
- establishing procedures to ensure all investments are made at fair market value, and
- retaining copies of all arbitrage reports and investment records, and trustee statements as described below under “Record Keeping Requirements” and, upon request, providing such copies to the Issuer.

For Bonds issued after the date hereof, the Borrower, in the Tax Agreement relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall identify an employee and/or officer to undertake the tasks listed above.

### 3. Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The Borrower shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Agreement relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;
- consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds;
- conferring at least annually with personnel responsible for the management, administration or use of Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, so as to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds;
- to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to avoid or prevent this violation or to undertake a remedial action, pursuant to the applicable section(s) of the Treasury Regulations (i.e., Sections 1.141-12, 1.142-2, 1.144-2 and 1.145-2), if such counsel advises that such action is necessary to preserve the tax-exempt status of the Bonds;
- with respect to facilities financed with exempt facility bonds or qualified small issue manufacturing bonds, adopting any such procedures that bond counsel deems appropriate to periodically assess whether such facility continues to qualify as an exempt facility or a qualified manufacturing facility, as applicable; and
- with respect to facilities financed with qualified small issue manufacturing bonds, track all capital expenditures paid or incurred with respect to the bond-financed facility and all other facilities in the same incorporated municipality during the six-year period commencing three (3) years prior to the date of issue of the Bonds and ending three (3) years after such date, to ensure that such expenditures do not exceed \$20,000,000, in accordance with Section 144(a)(4) of the Internal Revenue Code.

For Bonds issued after the date hereof, the Borrower, in the Tax Agreement relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall identify an employee and/or officer to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

#### 4. Reporting Requirement of the Borrower

Following the adoption of these procedures, the Issuer will require all Borrowers to file a certificate that identifies all assets financed with the bond issue (the “Completion Certificate”) with the Issuer within six months after all Bond proceeds deposited in the Construction Fund, Project Fund or similar fund or otherwise to be advanced to pay the capital costs of the facilities being financed and all investment earnings thereon but in no event later than on the third anniversary date of issuance of the Bonds. The form of the Completion Certificate to be provided by the Borrowers is attached hereto as **Schedule I**. The Completion Certificate identifies total proceeds spent (including investment earnings) and allocates those funds to expenditures for capital assets.

In respect to Bonds issued after the adoption of these procedures, after filing the Completion Certificate, the Borrower shall file an annual update with the Issuer that either identifies any changes to the Completion Certificate or certifies that nothing has changed (assets sold, new contract, etc.) (the “Annual Certificate”). The form of the Annual Certificate to be filed by the Borrowers is attached hereto as **Schedule II**. In the event that such report indicates a new private use, it shall be accompanied by either (a) a certification of the Borrower that such use, together with other private uses, will not result in private use in excess of five percent (5%) of the proceeds of the Bonds; or (b) an opinion of bond counsel that such use will not cause the Bonds financing such project to become taxable or appropriate remedial action has been taken to preserve the bonds status as tax-exempt bonds.

In respect to Bonds issued after the adoption of these procedures, the Borrower shall supply the Issuer with all reports establishing that the proceeds have satisfied a spending exception to rebate and all reports prepared by the Rebate Servicer Provider that calculate rebate liability. Such reports shall include Evidence of Rebate Calculation and payment (copy of check, if payment required).

#### 5. Recordkeeping Requirement

The Borrower shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds and the Final Completion Report filed pursuant to the Loan Agreement; and

- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

#### 6. Issuer Requirements

The Issuer shall:

- cause bond counsel to prepare the initial Form 8038 to be filed in connection with the issuance of the Bonds and shall cause such Form to be duly filed;
- retain a copy of the Bond closing transcript; and
- retain a copy of all certificates and other documents supplied to the Issuer by the Borrower in connection with the Bonds.

The Issuer shall be responsible for the maintenance of such records for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years.

**Schedule I**

**DRAFT**

**PROJECT COMPLETION CERTIFICATE**

(To be filed 3 years after issuance and updated annually thereafter)

Name of Bonds: \_\_\_\_\_  
Borrower: \_\_\_\_\_  
Closing Date: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I am a representative of the above-named Borrower and I hereby certify to the Troy Industrial Development Authority (the "Issuer") that all of the proceeds of the above-named Bonds have been expended and the Construction Fund/Project Fund should be closed.

I have attached Exhibit A hereto to identify the various assets paid for or constructed with proceeds of the Bonds and the investment earnings thereon ("Bond-Financed Assets"). All invoices representing costs of the Project should be retained by the Borrower in accordance with the retention policy attached as Schedule II hereto.

In addition, I hereby certify as follows:

- A. \_\_\_\_\_ Bond Proceeds were the only source of funds used in the Project; OR  
\_\_\_\_\_ Other sources of funds were contributed to Project Costs. Describe what other funds were utilized, what portion of the Project those other funds financed and what allocation method was used.
- B. If a qualified 501(c)(3) bond issue:  
\_\_\_\_\_ 100% of the Project is utilized by a governmental entity or a qualified 501(c)(3) organization in furtherance of its exempt purposes (i.e., no leases or non-qualifying management agreements, etc.); OR  
\_\_\_\_\_ A portion of the Project is leased to, managed or used by a non-exempt person (a "mixed-use project"). If true, identify user and its actual use on attachment hereto.

C. If a governmental bond issue:

\_\_\_\_\_ 100% of the Project is utilized by a governmental entity organization in furtherance of its exempt purposes (i.e., no leases or non-qualifying management agreements, etc.); OR

\_\_\_\_\_ A portion of the Project is leased to, managed or used by a non-governmental entity(a “mixed-use project”). If true, identify user and its actual use on attachment hereto.

D. If an exempt facility issue or qualified small issue manufacturing issue:

\_\_\_\_\_ 100% of the Project is in use for its intended purpose; OR

\_\_\_\_\_ A portion of the Project is not in use for the intended purpose. If true, please describe.

E. If a qualified small issue manufacturing issue, provide a listing of all capital expenditures paid or incurred with respect to the bond-financed facility (listed by principal user and related person) and all other facilities in the same incorporated municipality during the six-year period commencing three (3) years prior to the date of issue of the Bonds and ending three (3) years after such date. Refer to the Schedule of Small Issue Capital Expenditures contained in the Tax Compliance Agreement.

**Schedule II**

**DRAFT**

**ANNUAL PROJECT COMPLIANCE CERTIFICATE**

Name of Bonds: \_\_\_\_\_  
Borrower: \_\_\_\_\_  
Closing Date: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_

I am a representative of the above-named Borrower and I hereby certify to the Troy Industrial Development Authority (the "Issuer") that the following information in respect of the above-named Bonds is true.

A. All of the assets identified on the Project Completion Certificate previously filed with the Issuer are still in service, are still used by the Borrower in compliance with the terms of the Tax Agreement and have not otherwise been disposed of, otherwise any changes are reflected in the attached Exhibit A.

B. If a qualified 501(c)(3) issue:

\_\_\_\_\_ 100% of the Project is utilized by a governmental entity or a qualified 501(c)(3) organization in furtherance of its exempt purposes (no leases, non-qualifying management agreements, etc.) since Project completion; OR

\_\_\_\_\_ A portion of the Project is leased to, managed or used by a non-exempt person (a "mixed-use project") for any period of time since the last certificate filed with the Issuer. If true, identify user and its actual use on attachment hereto.

C. If a governmental issue:

\_\_\_\_\_ 100% of the Project is utilized by a governmental entity (no leases, non-qualifying management agreements, etc.) since Project completion; OR

\_\_\_\_\_ A portion of the Project is leased to, managed or used by a non-governmental entity (a "mixed-use project") for any period of time since the last certificate filed with the Issuer. If true, identify user and its actual use on attachment hereto.

D. If an exempt facility issue or qualified small issue manufacturing issue:

\_\_\_\_\_ 100% of the Project is in use for its intended purpose; OR

\_\_\_\_\_ A portion of the Project has been sold or been taken out of service. If true, please describe.

**RESOLUTION**  
(Post-Issuance Compliance Procedures)

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on June 17, 2013, at \_\_\_\_\_ a.m./p.m., local time, at 433 River Street, 5<sup>th</sup> Floor, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Wallace Altes		
Hon. Dean Bodnar		
Hon. Robert Doherty		
Steve Bouchey		
Louis Anthony		
Paul Carroll		
Mary O’Neill		
Lisa Kyer		
Tina Urzan		

The following persons were ALSO PRESENT:

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to post-issuance compliance procedures for tax-exempt bond issues.

On motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
Wallace Altes				
Hon. Dean Bodnar				
Hon. Robert Doherty				
Steve Bouchey				
Louis Anthony				
Paul Carroll				
Mary O’Neill				
Lisa Kyer				
Tina Urzan				

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE “AUTHORITY”) ADOPTING POST-ISSUANCE COMPLIANCE PROCEDURES FOR TAX-EXEMPT BOND ISSUES.

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the “Act”), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the “Authority”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, as an issuer of tax-exempt bonds, the Authority desires to adopt procedures to ensure compliance of its tax-exempt bond issues with federal tax requirements following the date of issue of such bonds.

WHEREAS, the Authority desires to adopt a resolution approving the foregoing.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Authority has reviewed and hereby adopts the Post-Issuance Compliance Procedures presented before this meeting and a copy of which is attached to this resolution as Exhibit “A”.

Section 2. This resolution shall take effect immediately.

**SECRETARY'S CERTIFICATE**

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

I, \_\_\_\_\_, the undersigned, Secretary of the TROY INDUSTRIAL DEVELOPMENT AUTHORITY, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the special meeting of the Troy Industrial Development Authority (the "Authority"), including the resolution contained therein, held on June 17, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Authority 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 Authority 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this \_\_\_\_ day of \_\_\_\_\_, 2013.

[SEAL]

\_\_\_\_\_  
(Asst.) Secretary

**EXHIBIT A**  
**POST-ISSUANCE COMPLIANCE PROCEDURES**

[Attached hereto]

# RPI Riverfront Park 'Playscapes'

