

**PUBLIC HEARING PURSUANT TO
SECTION 147(f) OF
THE INTERNAL REVENUE CODE
AND SECTION 859-a OF THE GENERAL MUNICIPAL LAW**

Issuer:	Allegany County Capital Resource Corporation
Project Beneficiary:	Houghton College
Project Location:	One Willard Avenue in the Town of Caneadea, Allegany County, New York
Hearing Date:	February 1, 2022
Hearing Time:	6:00 o'clock, p.m.
Hearing Location:	Caneadea Town Hall located at 8911 State Route 19 in the Town of Caneadea, Allegany County, New York

Opening Remarks

Dr. Clark: Good evening. This is the Public Hearing proceeding to section 147 of the Internal Revenue Code, in section 859-a of the general municipal law. My name is Craig R. Clark, and I am the Executive Director of the Allegany County Capital Resource Corporation (the “Issuer”). Today, we are holding this Public Hearing to allow citizens to make a statement, for the record, relating to the sponsorship and involvement of the Issuer with a project (the “Proposed Project”) for the benefit of Houghton College, a State of New York not-for-profit education corporation (the “Institution”). I will dispense from reading the full description of the project, that is in the Public Hearing, which there are copies here, on the table and have been published in two, different newspapers, which I will mention. The actual bonding is for, basically, consolidating debt, over the years, into one bond.

For clarification purposes, I would like to state that the Obligations of the Issuer issued with respect to the Proposed Project will not be obligations of the State of New York or any municipality thereof, including Allegany County, New York (the “County”), the municipality for whose benefit the Issuer was created. In addition, the Obligations of the Issuer will not be a general obligation of either the Issuer or the County. **This means that if the holders of the Obligations are not paid by the Institution, the holders of the Obligations will not be able to come back against the Issuer or the County. The Obligations are not an obligation of the County or the taxpayers of the County.**

Legal Authorization and Powers of the Issuer

The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act and Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Allegany County, New York adopted a resolution on August 24, 2009 (the “Sponsor Resolution”) (1) authorizing the incorporation of the Issuer under the Enabling Act and (2) appointing the initial members of the board of directors of the Issuer. On August 28, 2009, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Issuer as a public instrument of the County. This is the Capital Resource Corporation.

Because the Institution is located within the County, the Institution is eligible for assistance from the Issuer.

Purpose of this Public Hearing

Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), if any portion of the Obligations is intended to be issued as federally tax-exempt obligations (the interest on will be excludable from the gross income of the holders thereof for federal income tax purposes), then prior to issuing such portion of the Obligations, (A) the Issuer must hold a public hearing on the nature and location of the Initial Project Facility and the issuance of the Obligations (the “Public Hearing”), and (B) thereafter the Board of Legislators of Allegany County, New York (the “Board of Legislators”) must approve the issuance of the Obligations.

After consideration of the Application received from the Institution, the members of the board of directors of the Capital Resource Corporation, adopted a resolution on January 13, 2022 (the “Public Hearing Resolution”) authorizing, among other things, the Chairperson of the Issuer to conduct this Public Hearing with respect to the Proposed Project.

The Chairperson of the Issuer caused notice of this Public Hearing to be published January 21, 2022 in the Spectrum and the Olean Times, newspapers of general circulation available to the residents of the Town of Caneadea, Allegany County, New York. In addition, the Chairperson of the Issuer caused notice of this Public Hearing (A) to be posted on January 19, 2021 on a public bulletin board located at 8911 State Route 19 in the Town of Caneadea, Allegany County, New York and on the Issuer’s website; and (B) to be mailed on January 19, 2022 to the affected tax jurisdictions.

Copies of the notice of this Public Hearing are available on the table.

Now, unless there is an objection, I’m going to suggest waiving the full reading of the notice of the Public Hearing and request the full text of the notice of Public Hearing be inserted, in the record of the Public Hearing.

The comments received today at this Public Hearing will be presented to the members of the board of directors of the Issuer at or prior to the meeting at which the members of the Issuer will consider whether to approve the undertaking of the Project.

The comments received today, at this Public Hearing, will also be presented to the Board of Legislators.

Written Comments

The notice of this Public Hearing indicated that written comments could be received by: Craig R. Clark, Executive Director of the Issuer. No written comments have been received by the Issuer, prior to this Public Hearing.

Open Public Hearing to the Floor for Comments

Dr. Clark: I will now open this Public Hearing, for public comment, at 6:05 o'clock, p.m. and wait for public comment. Please let me know your name and who you represent. There are no problems making comments because there are only two people here, at the Public Hearing. So, you can speak, probably, as long as you would like. When everyone has the opportunity to speak up, I will conclude this Public Hearing, as indicated above. A record of this Public Hearing will be prepared and reviewed by the members of the Issuer, in connection with the Issuers consideration of the proposed project. Also, as indicated above, a copy of the Public Hearing will also be presented to the Board of Legislators.

The purpose of this public hearing is to solicit public comments on this project. We are not here to answer questions but will, in the course of the public hearing, consider questions, if we have the information. I will now ask if anyone wishes to comment, on either the nature or project itself, location of the initial project facility or the proposed financial assistance being contemplated by the issuer. For the record, as noticed, please state your name and indicate any comments. Are there any comments from the public? It is pretty quiet. We will hold the Public Hearing, here, for a few minutes to make sure we are into the issue, for at least 15 minutes, from six o'clock pm. We will see how that goes. There's no meetings. We'll, then, actually close the public hearing, once we give it enough time. So, we've got 8 minutes of time.

Viewer, Dana Hand, from the ACIDA-YouTube channel asked the following question: "What is the project?"

Dr. Clark: The project is re-financing a number of projects, happening at Houghton College, from over the years. The only thing that is new, under the project, which is about 25 million dollars, is going to be something less than, between 4 & 5 million dollars of HVAC upgrades. Most of the money that is being bonded out, the 20 million dollars, is to consolidate debt over the years. Thank you for asking, Dana. There are only two members of the public here so, you asked the question and I appreciate that. Dana, can you let me know exactly, the public record should show where your residence office is? That would be helpful so I can put it in the public record. The full application, public notice, as well as, the full project is listed on our website, if you have any questions.

Formal closure of the public hearing

Dr. Clark: It has now been a full 15 minutes, since the beginning of the six o'clock, posted time of the hearing. So, if there are no further comments, I will now close this Public Hearing at 6:16 o'clock, p.m.

Thank you for listening and attending. We will post this on our website.

Attendees:

Dr Craig Clark, Executive Director of the Capital Resource Corporation.

Judith Hopkins, resident.

Philip Stockin, resident and Chairman of the Allegany County Board of Legislators.

Dana Hand, resident.

The description of the proposed project is referenced below.

The Proposed Project consists of the following: (A) the refinancing of certain existing indebtedness of the Institution used to (1) refund the Allegany County Industrial Development Agency Civic Facility Revenue Bonds, Series 1998 (Houghton College Civic Facility) (the “Series 1998 Bonds”), which Series 1998 Bonds were issued for the purpose of financing (a) (i) the acquisition of an interest in certain real property on the Institution’s campus (the “Campus”) located at One Willard Avenue in the Town of Caneadea, Allegany County, New York (the “Series 1998 Land”), (ii) certain capital improvements located thereon consisting of the demolition of three (3) existing buildings located thereon, the construction of an approximately 50,000 square foot music facility, the construction of an approximately 150 vehicle parking lot and related driveways, roadways and infrastructure and the construction and renovation of an all-weather eight-lane running track surrounding a new field hockey field, the relocation of the current soccer field, the construction of tennis courts and the construction of related infrastructure, including drainage, irrigation, installation of lighting, temporary overflow parking and other site improvements (collectively, the “Series 1998 Facility”) and (iii) the acquisition and installation thereon and therein of various machinery and equipment (the “Series 1998 Equipment”) (the Series 1998 Land, the Series 1998 Facility and the Series 1998 Equipment are collectively referred to hereinafter as the “Series 1998 Project Facility”) and (b) the refinancing of the Allegany County Industrial Development Agency Civic Facility Revenue Bonds (Houghton College Project), Series 1991 (the “Series 1991 Bonds”), which Series 1991 Bonds were used to (i) finance (A) the acquisition and construction of an approximately 49,000 square foot classroom and faculty office located on the Campus (the “Series 1991 New Facility”) and (B) the acquisition and installation thereon and therein of various machinery and equipment (the “Series 1991 New Facility Equipment”) and (ii) refinance certain outstanding indebtedness of the Institution used to finance (A) the acquisition and construction of four (4) dormitories located on the Campus (the “Series 1991 Dormitories” and together with the Series 1991 New Facility, the “Series 1991 Facility”) and (B) the acquisition and installation thereon and therein of various machinery and equipment (the “Series 1991 Dormitories Equipment” and together with the Series 1991 New Facility Equipment, the “Series 1991 Equipment”) (the Series 1991 Facility and the Series 1991 Equipment are collectively referred to hereinafter as the “Series 1991 Project Facility”); (2) refund the Allegany County Industrial Development Agency Multi-Mode Variable Rate Civic Facility Revenue Bonds (Houghton College Project – Letter of Credit Secured), Series 2004A (the “Series 2004A Bonds”), which Series 2004A Bonds were issued for the purpose of financing (a) (i) the acquisition of various interests located on the Campus and at 1 Willard Avenue in the Town of Caneadea, Allegany County, New York (collectively, the “Series 2004A Existing Land”), together with the various buildings and improvements located thereon (collectively, the “Series 2004A Existing Facility”) and certain existing machinery and equipment located thereon and therein (the “Series 2004A Existing Equipment”), (ii) the acquisition from Houghton Academy (the “Academy”), an entity related to the Institution, or others, of additional parcels of land located near the Campus in the Town of Caneadea, Allegany County, New York (the “Series 2004A New Land”), together with the various buildings and improvements located thereon (the “Series 2004A New Facility”), (iii) the construction and/or reconstruction and renovation of the Series 2004A New Facility, (iv) the acquisition and installation therein and thereon of various machinery and equipment (the “Series 2004A New Equipment”), (v) the possible acquisition from the Academy of an additional parcel or parcels of land located in the Town of Angelica, Allegany County, New York (the “Series 2004A Angelica Land”) (the Series 2004A Existing Land, the Series 2004A New Land and the Series 2004A Angelica Land are collectively referred to hereinafter as the “Series 2004A Land”), together with the various buildings and improvements located thereon (the “Series 2004A Existing Angelica Facility”) and certain existing machinery and equipment located thereon and therein (the “Series 2004A Existing Angelica Equipment”), (vi) in the event of the acquisition of the Series 2004A Angelica Land, the construction on the Series 2004A Angelica Land of certain new facilities (the

“Series 2004A New Angelica Facility”) (the Series 2004A Existing Facility, the Series 2004A New Facility, the Series 2004A Existing Angelica Facility and the Series 2004A New Angelica Facility are collectively referred to hereinafter as the “Series 2004A Facility”) and (vii) in the event of the acquisition of the Series 2004A Angelica Land, the acquisition and installation in the Series 2004A Existing Angelica Facility and the Series 2004A New Angelica Facility and/or on the Series 2004A Angelica Land of various machinery and equipment (the “Series 2004A New Angelica Equipment”) (the Series 2004A Existing Equipment, the Series 2004A New Equipment, the Series 2004A Existing Angelica Equipment and the Series 2004A New Angelica Equipment are collectively referred to hereinafter as the “Series 2004A Equipment”) (the Series 2004A Land, the Series 2004A Facility and the Series 2004A Equipment are collectively referred to hereinafter as the “Series 2004A Project Facility”); (3) finance a swap termination payment in connection with the refunding of the Series 2004A Bonds; and (4) finance (a) the acquisition and construction of athletic fields and a field house located on the Campus (collectively, the “2013 Facility”) and (b) the acquisition and installation thereon and therein of various machinery and equipment (collectively, the “2013 Improvements”) (the 2013 Facility and the 2013 Improvements are collectively referred to hereinafter as the “2013 Project Facility”); (B) the financing of (i) the acquisition and installation of certain capital improvements located on the Campus, including the replacement of existing boilers (collectively, the “Series 2022 Improvements”) and (ii) the acquisition and installation thereon and therein of various machinery and equipment (collectively, the “Series 2022 Equipment”) (the Series 2022 Improvements and the Series 2022 Equipment are collectively referred to hereinafter as the “Series 2022 Project Facility”) (the Series 1991 Project Facility, the Series 1998 Project Facility, the Series 2004A Project Facility, the 2013 Project Facility and the Series 2022 Project Facility are collectively referred to hereinafter as the “Initial Project Facility”), all of the foregoing to constitute an educational facility and other directly and indirectly related activities for use by the Institution; (C) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and/or taxable revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$25,000,000 and in any event not to exceed \$27,000,000 (the “Obligations”); (D) the paying of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (E) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.