

City of Albany Capital Resource Corporation

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

To: Anthony J. Ferrara
Willard A. Bruce
Kathy Sheehan
Susan Pedo
Martin Daley
C. Anthony Owens
John R. Vero

Mike Yevoli
Erik Smith
Joe Scott
John Reilly
Brad Chevalier

Date: March 21, 2012

AGENDA

The regular meeting of the City of Albany Capital Resource Corporation will be held on **Monday, March 26, 2012 at 1:00 p.m. or immediately following the Regular Monthly Meeting of the AIDA** at the offices of the Capitalize Albany Corporation, 21 Lodge Street, Albany, NY 12207.

Roll Call

Reading of Minutes of the Regular & Annual Meeting of January 19, 2012

Approval of Minutes of the Regular & Annual Meeting of January 19, 2012

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Office

— Financial Report

Communications

Unfinished Business

New Business

- CRC / Capitalize Albany Corporation Professional Services Agreement Resolution-2012
- CRC/ City of Albany IDA Grant Agreement Approval Resolution-2012
- Review of Draft 2011 Audited Financial Statements
- Review of Draft 2011 Annual Report

Other Business

Adjournment

*The next regularly scheduled meeting is Thursday, April 19, 2012 at 21 Lodge Street, Albany, NY 12207

City of Albany Capital Resource Corporation

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Telephone: (518) 434-2532
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Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Susan Pedo, *Secretary*
Kathy Sheehan, *Treasurer*
Martin Daley
C. Anthony Owens
John Vero

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel*

CRC MINUTES OF REGULAR MEETING Thursday, January 19, 2012

Attending: Tony Ferrara, Bill Bruce, Kathy Sheehan, Susan Pedo, Martin Daley, Anthony Owens & John Vero

Absent:

Also Present: Joe Scott, John Rielly, Mike Yevoli, Megan Daly, Erik Smith, Brad Chevalier & Amy Gardner

Chairman Ferrara called the regular meeting of the CRC to order at 1:05 PM.

Roll Call

Chairman Ferrara reported that all Board Members were present.

Reading of Minutes of the Regular Meeting of November 17th, 2011

Since the minutes of the previous meeting had been distributed to Board members in advance for review, Chairman Ferrara made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Regular Meeting of November 17, 2011

Chairman Ferrara made a proposal to approve the minutes of the Regular Board Meeting of November 17, 2011 as presented. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Bill Bruce. A vote being taken, the minutes were accepted unanimously.

Reports of Committees

None

Report of Chief Executive Officer

Mike Yevoli reported that possible CRC assistance in 2012 could involve new projects relating to the medical centers, as well as potential projects seeking refinancing.

Report of Chief Financial Officer

Erik Smith reported that the CRC has not seen any additional project activity beyond St. Peter's Hospital and the College of Saint Rose which both occurred earlier in 2011. The CRC ended the year with approximately \$143,000 in cash. Mr. Smith advised the Board that the CRC is required to produce audited financials and an annual report. The CRC audit will occur simultaneously with the IDA's audit.

Communications

None

Unfinished Business

None

New Business

City of Albany Capital Resource Corporation Annual Housekeeping Resolution 2012

Chairman Ferrara reviewed the resolution with the Board. Chairman Ferrara advised the Board to examine "Schedule A" of the Resolution and reviewed the committee appointments.

Chairman Ferrara presented the *City of Albany Capital Resource Corporation Annual Housekeeping Resolution 2012* to the Board. Due to his position at Key Bank, C. Anthony Owens abstained from voting. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Martin Daley. A vote being taken, the Resolution passed unanimously.

Resolution Regarding Approval of Proposed Amendment to the Certificate of Incorporation of the City of Albany Capital Resource Corporation

Mike Yevoli advised the Board that the CRC, per its certificate of incorporation, has a two year limit on authorizing bonds unless the City Council extends its authority. The two year period expires in April. Mr. Yevoli explained that the resolution being considered would allow the Board to take preliminary action approving the proposed amendment to the certificate of incorporation, authorize staff to notify the Common Council of the proposed amendment, and authorize staff to present the proposed amendment to the Common Council for approval.

Chairman Ferrara presented the *Resolution Regarding Approval of Proposed Amendment to the Certificate of Incorporation of the City of Albany Capital Resource Corporation* to the Board. A motion to adopt the Resolution was made by Bill Bruce and seconded by John Vero. A vote being taken, the Resolution passed unanimously.

New Business

None

Other Business

CRC Renewal Presentation

Mike Yevoli reviewed the presentation with the Board. Mr. Yevoli advised the Board that the presentation was in draft form. As such questions and comments were welcome. Mr. Yevoli explained that this presentation, when completed, would be shown to the Common Council.

There being no further business, Chairman Ferrara adjourned the meeting at 1:20PM

Respectfully submitted,

Mike Yevoli, Assistant Secretary

G:\CRC\CRC Minutes\CRC Regular Meeting Minutes\CRC Minutes 2012

City of Albany
Capital Resource Corporation

**21 Lodge Street
Albany, New York 12207
(p): 518.434.2532
(f): 518.434.9846**

**Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Susan Pedo, *Secretary*
Kathy Sheehan, *Treasurer*
Martin Daley
C. Anthony Owens
John Vero**

**Michael J. Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel***

**MINUTES OF CRC ANNUAL MEETING
Thursday, January 19, 2012**

Attending: Anthony Ferrara, Bill Bruce, Kathy Sheehan, Susan Pedo, Martin Daley,
John Vero & C. Anthony Owens

Absent:

Also Present: Joe Scott, John Reilly, Mike Yevoli, Megan Daly, Erik Smith, Brad Chevalier &
Amy Gardner

Chairman Ferrara called the Annual Meeting of the CRC to order at 12:30 p.m.

Election of Officers

The following Board members were nominated to serve as the 2012 Officers of the Albany Capital Resource Corporation Agency.

Chairman – Anthony J. Ferrara
Vice Chairman – Willard A. Bruce
Treasurer – Kathy Sheehan
Secretary – Susan Pedo

Chairman Ferrara presented the Board with a Resolution electing the nominated members to serve as 2012 Officers for the Albany Capital Resource Corporation. A motion to accept the Resolution as presented was made by Kathy Sheehan and seconded by C. Anthony Owens. A vote being taken, the Officers were elected unanimously.

Other Business

None

There being no further business. Mr. Ferrara adjourned the annual meeting at 12:45 P.M..

Respectfully submitted,

Susan Pedo, Secretary

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City of Albany CRC
2012 Monthly Cash Position
February 2012

	ACTUAL		PROJECTED										
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 142,598	\$ 142,610	\$ 142,621	\$ 110,133	\$ 94,966	\$ 84,140	\$ 73,314	\$ 62,487	\$ 51,659	\$ 40,830	\$ 30,000	\$ 19,169	\$ 142,598
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Modification Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue													
Interest Income	\$ 12	\$ 11	\$ 12	\$ 9	\$ 8	\$ 7	\$ 6	\$ 5	\$ 4	\$ 3	\$ 2	\$ 2	82
Misc	-	-	-	157	-	-	-	-	-	-	-	-	157
Subtotal - Other Revenue	\$ 12	\$ 11	\$ 12	\$ 166	\$ 8	\$ 7	\$ 6	\$ 5	\$ 4	\$ 3	\$ 2	\$ 2	\$ 239
Total - Revenue	\$ 12	\$ 11	\$ 12	\$ 166	\$ 8	\$ 7	\$ 6	\$ 5	\$ 4	\$ 3	\$ 2	\$ 2	\$ 239
Expenditures													
Management Contract	\$ -	\$ -	32,500	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	\$ 130,000
Audits	-	-	-	4,500	-	-	-	-	-	-	-	-	4,500
D & O Insurance	-	-	-	-	-	-	-	-	-	-	-	1,364	1,364
Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	\$ -	\$ -	\$ 32,500	\$ 15,333	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 12,197	\$ 135,864
Ending Balance	\$ 142,610	\$ 142,621	\$ 110,133	\$ 94,966	\$ 84,140	\$ 73,314	\$ 62,487	\$ 51,659	\$ 40,830	\$ 30,000	\$ 19,169	\$ 6,973	\$ 6,973

City of Albany CRC

Fee Detail by Month

February 2012

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>February</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>March</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany CRC

Fee Detail by Month

February 2012

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
<i>August</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
<i>September</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
<i>October</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
<i>November</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
<i>December</i>		\$ -	\$ -	-	-	-
	TOTAL	\$ -	\$ -	-	-	\$ -
	2011 TOTAL	\$ -	\$ -	-	-	\$ -
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

**PROFESSIONAL SERVICES AGREEMENT
Between**

CAPITALIZE ALBANY CORPORATION (CAC)

and

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (AIDA)

and

CITY OF ALBANY CAPITAL RESOURCE CORPORATION (ACRC)

This agreement, made this XXth day of March, in the year Two Thousand and Twelve between the City of Albany Industrial Development Agency (hereinafter referred to as the ("AIDA")), the City of Albany Capital Resource Corporation (hereinafter referred to as the ("ACRC")), and the Capitalize Albany Corporation, a not for profit corporation having its principal place of business at 21 Lodge Street, Albany, New York 12207 (hereinafter referred to as the "CAC"):

WITNESSETH:

WHEREAS, the CAC has offered to provide professional economic development management and administrative support services to the AIDA and the ACRC, and,

WHEREAS, the AIDA and the ACRC has accepted the offer of the CAC for such professional services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY COVENANT AND AGREE AS FOLLOWS:

ARTICLE 1 -SERVICES TO BE PERFORMED

The CAC shall perform the professional and administrative support services set forth under Article 2 entitled "SCOPE OF PROFESSIONAL SERVICES" during the period commencing on January 1, 2012 and continuing until December 31, 2012. In the performance and acceptance of the services

herein, the parties understand, acknowledge and agree that the CAC is assuming no managerial role, nor undertaking any oversight responsibilities with regard to the powers and duties of the AIDA or the ACRC or the actions or non-actions of its Board of Directors. Nothing in this agreement should be construed to transfer governance, oversight or fiduciary responsibilities from the AIDA or the ACRC to CAC.

ARTICLE 2 - SCOPE OF PROFESSIONAL SERVICES

During the period of this agreement, the CAC agrees to provide staffing, office equipment, utilities, phone and computer networking to perform the administrative, managerial, marketing, and project development functions of the AIDA and the ACRC. Additionally, CAC will provide support to assist the Chief Executive Officer and Chief Financial Officer of the AIDA and the ACRC in the execution of their AIDA and ACRC duties. CAC shall be responsible for the services described on Schedule A attached.

ARTICLE 3 - PROFESSIONAL SERVICES FEE

In consideration of the terms and conditions of this agreement, the AIDA and the ACRC agrees to pay and the CAC agrees to accept, as full compensation for all services rendered under this agreement an amount not to exceed \$250,000. The CAC shall provide professional staff time towards fulfillment of this agreement, including all administrative clerical, secretarial, accounting, compliance, and information technology support as required.

ARTICLE 4 - METHOD OF PAYMENT

The AIDA and the ACRC will pay CAC its professional services fee referenced under Article 3 of this agreement in twelve (12) monthly installments due and payable on the fifteenth day of each month.

ARTICLE 5 - TERMINATION

This agreement may be terminated at any time by any party for cause upon thirty (30) days written notice. In the event of termination, CAC shall be entitled to compensation for all work performed pursuant to this agreement to the date of termination.

ARTICLE 6 - EQUAL EMPLOYMENT OPPORTUNITY

CAC shall comply with all Federal, State, and Local equal employment opportunity laws, rules, and regulations relating, to all matters contained in this agreement.

ARTICLE 7 - ACCOUNTING RECORDS

Proper and full accounting records, including time sheets, shall be maintained by CAC for all services provided pursuant to this agreement. All applicable records shall be available for inspection or audit by the AIDA if required.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first above written.

City of Albany Industrial Development Agency

By: _____
Chairman

City of Albany Capital Resource Corporation

By: _____
Chairman

Capitalize Albany Corporation

By: _____
Chairman

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SCHEDULE A

DESCRIPTION OF SERVICES

A. City of Albany Industrial Development Agency:

1. Implementation, execution and compliance with the AIDA Policy Manual that was adopted at the November 2002 AIDA Meeting.
2. Provide for the deposit and investment of the funds of AIDA in accordance with Part 4 of the AIDA Policy Manual.
3. Provide for the preparation of reports of the deposit and investment of the funds of AIDA in accordance with Part 4 of the AIDA Policy Manual.
4. Ensure that procurement of goods or services by AIDA complies with Part 5 of the AIDA Policy Manual.
5. Prepare an annual budget of AIDA and the filing of such budget in accordance with Part 6 of the AIDA Policy Manual.
6. Monitor the activities of Bond Counsel to AIDA to ensure compliance with Part 7 of the AIDA Policy Manual.
7. Provide for the preparation of financial statements and reports of AIDA and the filing of such materials with appropriate State offices in accordance with Part 8 of the AIDA Policy Manual.
8. Provide for compliance with the provisions of Part 9 of the AIDA Policy Manual.
9. Report on questions involving potential conflicts of interest under Part 10 of the AIDA Policy Manual.
10. Provide for distribution of materials in accordance with Part 11 of the AIDA Policy Manual.
11. Consult with AIDA agency counsel regarding membership and proper appointment of members of AIDA pursuant to Part 12 of the AIDA Policy Manual.
12. Act as Records Access Officer with regard to any requests for information under the Freedom of Information Act in accordance with Part 13 of the AIDA Policy Manual.
13. Consult with agency counsel to AIDA regarding proper notice of AIDA meetings under Part 14 of the AIDA Policy Manual.

14. Prepare, organize, and distribute minutes of each AIDA meeting in accordance with Part 14 of the AIDA Policy Manual.
15. Coordinate the scheduling and noticing of public hearings and the delivery of notification letters in accordance with Part 15 of the AIDA Policy Manual.
16. Organize and maintain files relating to SEQRA compliance in accordance with Part 16 of the AIDA Policy Manual.
17. Monitor and maintain files regarding the Uniform Tax Exemption Policy of AIDA, including ensuring that any filings required under Part 17 of the AIDA Policy Manual are made.
18. Provide for the preparation and distribution of Applications by applicants in accordance with Part 18 of the AIDA Policy Manual.
19. Monitor and provide for the volume cap of AIDA in accordance with Part 19 of the AIDA Policy Manual.
20. Monitor and maintain files regarding the collection of administrative fees of AIDA under Part 20 of the AIDA Policy Manual.
21. Review, organize, monitor and maintain policies and files relating to the requirements imposed on the AIDA relating to the Public Authorities Accountability Act, including, but not limited to, working with AIDA agency counsel and AIDA bond counsel with respect to such policies.

B. City of Albany Capital Resource Corporation:

CAC will provide services similar to those described in Section A. above to ACRC.

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION
PROFESSIONAL SERVICES AGREEMENT RESOLUTION - 2012
CAPITALIZE ALBANY CORPORATION**

A regular meeting of City of Albany Capital Resource Corporation (the "Corporation") was convened in public session at the office of the Department of Development and Planning located at 21 Lodge Street in the City of Albany, Albany County, New York on March 26, 2012 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Corporation and, upon roll being called, the following directors of the Corporation were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Director
C. Anthony Owens	Director
John R. Vero	Director

ABSENT:

CORPORATION STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY CITY OF
ALBANY CAPITAL RESOURCE CORPORATION OF A PROFESSIONAL
SERVICES AGREEMENT WITH CAPITALIZE ALBANY CORPORATION**

WHEREAS, the Corporation was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"), and pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187, Private Letter Ruling 200936012, the Common Council of the City of Albany, New York (the "City") adopted a resolution on March 15, 2010 (the "Sponsor Resolution") (A) authorizing the incorporation of the Corporation under the Enabling Act and (B) appointing the initial members of the board of directors of the Corporation. In April, 2010, a

certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate of Incorporation") creating the Corporation as a public instrumentality of the City; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, the by-laws of the Corporation adopted on April 15, 2010 (the "By-Laws") provide that the Corporation may enter into contracts so authorized by the Corporation; and

WHEREAS, the Corporation desires to retain the services of Capitalize Albany Corporation ("CAC") pursuant to a professional services agreement dated as of March 26, 2012 (the "Agreement"), which Agreement is attached hereto as Exhibit A; and

WHEREAS, pursuant to the Agreement, (A) CAC will provide professional economic development management and administrative support services to the Corporation and (B) the Corporation will provide a grant to the City of Albany Industrial Development Agency to pay a portion of the fees under the Agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Corporation must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Agreement; and

WHEREAS, pursuant to SEQRA, the Corporation has examined the Agreement in order to make a determination as to whether the Agreement is subject to SEQRA, and it appears that the Agreement constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS OF CITY OF ALBANY CAPITAL RESOURCE CORPORATION, AS FOLLOWS:

Section 1. Based upon an examination of the Agreement, the Corporation hereby determines that the Agreement constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(20), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Corporation has no further responsibilities under SEQRA with respect to the Agreement.

Section 2. Subject to review of the Agreement by the Chairman of the Corporation and approval of the Agreement by counsel to the Corporation, the Corporation hereby determines to (A) approve the Agreement, (B) enter into the Agreement and (C) authorize the execution by the Corporation of the Agreement.

Section 3. All action taken by the Chief Executive Officer of the Corporation with respect to the Agreement is hereby ratified and confirmed.

Section 4. Subject to satisfaction of the conditions contained in Section 2 above, the Chairman (or Vice Chairman) of the Corporation is hereby authorized to execute and deliver the Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Corporation is hereby authorized to affix the seal of the Corporation thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 5. The officers, employees and agents of the Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and things required or provided for by the provisions of the Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Corporation with all of the terms, covenants and provisions of the Agreement binding upon the Corporation.

Section 6. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
C. Anthony Owens	VOTING	_____
John R. Vero	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Capital Resource Corporation (the "Corporation"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the directors of the Corporation, including the resolution contained therein, held on March 26, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Corporation 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 directors of the Corporation 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 given in accordance with such Open Meetings Law; and (D) there was a quorum of the directors of the Corporation 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 Corporation this ____ day of March, 2012.

(Assistant) Secretary

(SEAL)

EXHIBIT A
AGREEMENT

GRANT AGREEMENT

THIS **GRANT AGREEMENT** dated as of March 26, 2012 (the “Grant Agreement”) between **CITY OF ALBANY CAPITAL RESOURCE CORPORATION** (the “Corporation”), a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York, and **CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”), a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York;

WITNESSETH:

WHEREAS, the Corporation was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”), and pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187, Private Letter Ruling 200936012, the Common Council of the City of Albany, New York (the “City”) adopted a resolution on March 15, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Corporation under the Enabling Act and (B) appointing the initial members of the board of directors of the Corporation. In April, 2010, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Corporation as a public instrumentality of the City; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, pursuant to a professional services contract dated March 26, 2012 (the “Professional Services Agreement”) by and among the Corporation, the Agency and Capitalize Albany Corporation (the “CAC”), the Corporation has contracted with the CAC for the management of the operations of the Corporation; and

WHEREAS, the CAC develops and implements the economic development strategy of the City of Albany and, in connection with the development and implementation of such strategy, the CAC undertakes various economic development programs and projects (the “Economic Development Program”); and

WHEREAS, in order to provide the Agency with funds to pay for the services to be delivered by CAC under the Professional Services Agreement, the Corporation proposes to enter into this Grant Agreement under which the Corporation will provide funds to the Agency to pay a portion of the fees payable under the Professional Services Agreement; and

WHEREAS, the Corporation will provide funds to the Agency as a grant in multiple disbursements during the term of this Grant Agreement, each such disbursement to constitute a grant and

the grants provided for under this Grant Agreement to be hereinafter collectively referred to as the "Grant"; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Corporation and the Agency agree as follows:

1. **Grant and Program.** The Corporation and the Agency agree as follows:
 - (a) That the Corporation will make available to the Agency the Grant in an aggregate amount not to exceed \$150,000. The payment of the Grant, or any portion thereof, is expressly subject to the availability of funds of the Corporation.
 - (b) That the Grant will be used for the express purpose of funding a portion of the costs of the amounts payable under the Professional Services Agreement.
2. **Disbursement.** The Grant shall be paid quarterly by the Corporation to the Agency on or about the last day of the quarter, commencing on March 31, 2012 and ending on December 31, 2012. Disbursement of grant proceeds is based upon available cash.
3. **Compliance with Law.** The Agency covenants that it is aware of the laws governing the Corporation and the use of moneys of the Corporation, and the Agency agrees to use the moneys disbursed under this Grant Agreement only in the manner so allowed.
4. **Repayment.** Nothing herein shall be construed to require the Agency to reimburse the Corporation for the Grant.
5. **Information.** The Agency agrees to furnish to the Corporation, the following: (a) a financial report indicating how the Grant is being spent; and (b) such other information as the Corporation may request. In addition, the Agency shall provide the Corporation with a copy of an annual report regarding the Economic Development Program no later than June 30, 2013.
6. **Indemnification.** To the fullest extent permitted by law, the Agency shall defend, indemnify and hold harmless the Corporation and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the granting of this Grant Agreement or the work to be performed pursuant hereto, except if such claims, damages, losses or expenses are caused by the Corporation's gross negligence or willful misconduct.

7. Notices. (a) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(1) To the Corporation: at the address set forth in the initial paragraph of this Grant Agreement, with a copy to:

City of Albany
City Hall
Albany, New York 12207
Attention: Corporation Counsel

(2) To the Agency: at the address set forth in the initial paragraph of this Grant Agreement.

(b) The Corporation and the Agency may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

IN WITNESS WHEREOF, the parties hereto have entered into this Grant Agreement as of the day and date first written above.

CITY OF ALBANY CAPITAL RESOURCE CORPORATION

BY: _____
Authorized Officer

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

BY: _____
Authorized Officer

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION
GRANT AGREEMENT APPROVAL RESOLUTION - 2012
CITY OF ALBANY IDA**

A regular meeting of City of Albany Capital Resource Corporation (the "Corporation") was convened in public session at the office of the Department of Development and Planning located at 21 Lodge Street in the City of Albany, Albany County, New York on March 26, 2012 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Corporation and, upon roll being called, the following directors of the Corporation were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Director
C. Anthony Owens	Director
John R. Vero	Director

ABSENT:

CORPORATION STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____,
to wit:

Resolution No. _____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT AGREEMENT WITH THE CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF A PROFESSIONAL SERVICES AGREEMENT WITH CAPITALIZE ALBANY CORPORATION.

WHEREAS, the Corporation was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the "Enabling Act"), and pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187, Private Letter Ruling 200936012, the Common

Council of the City of Albany, New York (the “City”) adopted a resolution on March 15, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Corporation under the Enabling Act and (B) appointing the initial members of the board of directors of the Corporation. In April, 2010, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Corporation as a public instrumentality of the City; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, pursuant to a professional services agreement dated March 26, 2012 (the “Agreement”) by and among City of Albany Industrial Development Agency (“CAIDA”), the Corporation and Capitalize Albany Corporation (“CAC”), the Corporation has contracted with CAC for professional economic development management and administrative support services of the Corporation; and

WHEREAS, in order to provide the CAIDA with funds to pay for the services to be delivered by CAC under the Agreement, the Corporation proposes to enter into a grant agreement dated as of March 26, 2012 (the “Grant Agreement”), which Grant Agreement is attached hereto as Exhibit A, under which the Corporation will provide funds to CAIDA to pay a portion of the fees payable under the Agreement; and

WHEREAS, the Corporation will provide funds to CAIDA as a grant in multiple disbursements during the term of the Grant Agreement, each such disbursement to constitute a grant and the grants provided for under the Grant Agreement to be hereinafter collectively referred to as the “Grant” (the Grant and the Grant Agreement being collectively referred to as the “Transaction”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Corporation must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Transaction; and

WHEREAS, pursuant to SEQRA, the Corporation has examined the Transaction in order to make a determination as to whether the Transaction is subject to SEQRA, and it appears that the Transaction constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY CAPITAL RESOURCE CORPORATION, AS FOLLOWS:

Section 1. Based upon an examination of the Transaction, the Corporation hereby determines that the Transaction in effect constitutes the financing of information collection of the type described in 6 NYCRR 617.5(c)(18) and/or preliminary planning of the type described in 6 NYCRR 617.5(c)(21) and, accordingly, constitutes a “Type II action” pursuant to 6 NYCRR 617.5(a), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Corporation has no further responsibilities under SEQRA with respect to the Transaction.

Section 2. Based upon an examination of the Transaction, the Corporation hereby determines that no “financial assistance” (as defined in the General Municipal Law) is being requested from the Corporation in connection with the Transaction, and accordingly that the Corporation is not required by the Enabling Act or its Certificate of Incorporation to hold a public hearing with respect to the Transaction.

Section 3. The Corporation hereby further finds and determines that:

(A) By virtue of the Enabling Act and the Certificate of Incorporation, the Corporation has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Enabling Act and the Certificate of Incorporation and to exercise all powers granted to it under the Enabling Act and the Certificate of Incorporation; and

(B) As described in the Grant Agreement, the Grant will be used for the express purpose of providing funds to CAIDA to pay a portion of the fees payable under the Agreement, and under the Agency CAC will deliver professional economic development management and administrative support services to the Corporation and the CAIDA; and

(C) The undertaking of the Transaction and the entering into by the Corporation of the Grant Agreement will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the City of Albany, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Corporation to enter into the Grant Agreement.

Section 4. In consequence of the foregoing, the Corporation hereby determines to grant to CAC an amount equal to the amount described in the Grant Agreement to pay the costs of undertaking the Transaction pursuant to the terms and conditions of the Grant Agreement.

Section 5. The Corporation is hereby authorized to do all things necessary or appropriate for the accomplishment of the provisions of the Grant Agreement, and all acts heretofore taken by the Corporation with respect to such Grant Agreement are hereby ratified, confirmed and approved.

Section 6. The form and substance of the Grant Agreement are hereby approved.

Section 7. The Chairman (or Vice Chairman) of the Corporation is hereby authorized, on behalf of the Corporation, to execute and deliver the Grant Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Corporation is hereby authorized to affix the seal of the Corporation thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 8. The officers, employees and agents of the Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and things required or provided for by the provisions of the Grant Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Corporation with all of the terms, covenants and provisions of the Grant Agreement binding upon the Corporation.

Section 9. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
C. Anthony Owens	VOTING	_____
John R. Vero	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

EXHIBIT A
GRANT AGREEMENT

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

***CITY OF ALBANY CAPITAL
RESOURCE CORPORATION,
A COMPONENT UNIT OF THE
CITY OF ALBANY***

FINANCIAL STATEMENTS

DECEMBER 31, 2011

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

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PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

The Chairman and Board of Directors
City of Albany Capital Resource Corporation,
a Component Unit of the City of Albany
Albany, New York

Independent Auditors' Report

We have audited the accompanying statement of financial position of the City of Albany Capital Resource Corporation, a Component Unit of the City of Albany (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Albany Capital Resource Corporation, a Component Unit of the City of Albany as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2012, on our consideration of the Organization's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Albany, New York
_____, 2012

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Statement Of Financial Position

December 31, 2011

Assets

Current assets:

Cash \$ 142,597

Total Assets \$ 142,597

Liabilities And Net Assets

Current liabilities:

Accounts payable \$ 21,000

Total liabilities 21,000

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

Net assets:

Unrestricted 121,597

Total net assets 121,597

Total Liabilities And Net Assets \$ 142,597

The accompanying notes are an integral part of these financial statements

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Statement Of Activities

For The Year Ended December 31, 2011

Changes in unrestricted net assets:

Revenues:

Fees		\$ 416,963
Interest income		173
Other income		<u>156</u>
Total revenues	PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY	<u>417,292</u>

Operating expenses:

Contractual expenses		198,395
Grant expenses		<u>100,401</u>
Total operating expenses		<u>298,796</u>

Increase in unrestricted net assets 118,496

Net assets - beginning 3,101

Net Assets - Ending \$ 121,597

The accompanying notes are an integral part of these financial statements

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Statement Of Cash Flows

For The Year Ended December 31, 2011

Operating activities:

Increase in unrestricted net assets	\$ 118,496
Adjustments to reconcile increase in unrestricted net assets to net cash flows from operating activities:	
Changes in operating assets and liabilities:	
Accounts payable	<u>21,000</u>

Net cash flows from operating activities	<u>139,496</u>
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Net increase in cash	139,496
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Cash - beginning	<u>3,101</u>
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Cash - Ending	<u>\$ 142,597</u>
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PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

The accompanying notes are an integral part of these financial statements

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Notes To Financial Statements

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

Note 1: Summary Of Significant Accounting Policies

Background information - The City of Albany Capital Resource Corporation, a Component Unit of the City of Albany (the Organization) was formed on April 16, 2010, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. The Organization promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City of Albany by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects.

Additionally, the Organization's purpose is to undertake projects and activities within the City of Albany for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City of Albany by attracting new industry to the City or by encouraging the development of, or retention of, an industry in the City, and lessening the burdens of government and acting in the public interest. The Directors of the Organization are appointed by the City of Albany's governing body. Organization's Directors have complete responsibility for management of the Organization and accountability for fiscal matters.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed or contractual stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Notes To Financial Statements

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

Note 1: Summary Of Significant Accounting Policies (Continued)

Revenue bonds - The Organization may issue revenue bonds. The bonds are special obligations of the Organization payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 2, there is no liability to the Organization; therefore, the obligations are not accounted for in the accounts of the Organization.

Income taxes - The Organization is exempt from federal income taxes under the Internal Revenue Code. Tax positions are evaluated and recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by tax authorities.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Organization periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary. Actual results could differ from these estimates.

Note 2: Revenue Bond Transactions

Revenue bonds issued by the Organization are secured by property which is leased to private companies. The debt is retired by the lease payments. The bonds are not obligations of the Organization or New York State, and the Organization does not record related activity in its accounts. The Organization acts merely as a financing conduit. For providing this service, the Organization receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Revenue bonds outstanding as of December 31, 2011 total \$55,395,000.

Note 3: Concentrations Of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash in financial institutions. Accounts at each institution are insured up to Federal Deposit Insurance Corporation limits.

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF THE CITY OF ALBANY**

Notes To Financial Statements

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

Note 4: Commitments And Contingencies

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2011, the Organization believes that it has appropriate support for the income tax positions taken and to be taken on its returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits. The Organization is currently subject to federal, state, or local tax examination by the tax authorities from the initial period ending December 31, 2010.

Note 5: Subsequent Events

Subsequent events have been evaluated through _____, 2012, which is the date the financial statements were available to be issued.

PRELIMINARY AND TENTATIVE DRAFT
FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTAL INFORMATION

**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***

The Chairman and Board of Directors
City of Albany Capital Resource Corporation
a Component Unit of the City of Albany

We have audited the financial statements of the City of Albany Capital Resource Corporation, a Component Unit of the City of Albany (a nonprofit organization) (the Organization), as of and for the year ended December 31, 2011, and have issued our report thereon dated _____, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures 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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the Organization, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Albany, New York
_____, 2012

Governance Information (Authority-Related)

Question	Response	URL (if applicable)
1. Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	www.capitalizealbany.com/partners/ida
2. As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	www.capitalizealbany.com/partners/ida
3. Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	Yes	N/A
4. Does the independent auditor provide non-audit services to the Authority?	No	N/A
5. Does the Authority have an organization chart?	Yes	www.capitalizealbany.com/partners/ida
6. Are any Authority staff also employed by another government agency?	No	
7. Has the Authority posted their mission statement to their website?	Yes	www.capitalizealbany.com/partners/ida
8. Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9. Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		www.capitalizealbany.com/partners/ida

Governance Information (Board-Related)

Question	Response	URL
1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3. Has the Board established Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		www.capitalizealbany.com/parters/ida
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		www.capitalizealbany.com/parters/ida
7. Has the Board adopted bylaws and made them available to Board members and staff?	Yes	www.capitalizealbany.com/parters/ida
8. Has the Board adopted a code of ethics for Board members and staff?	Yes	www.capitalizealbany.com/parters/ida
9. Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
Salary and Compensation	Yes	N/A
Time and Attendance	Yes	N/A
Whistleblower Protection	Yes	N/A
Defense and Indemnification of Board Members	Yes	N/A
12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL?	Yes	N/A
13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	Yes	N/A
14. Was a performance evaluation of the board completed?	Yes	N/A
15. Was compensation paid by the Authority made in accordance with employee or union contracts?	No	N/A
16. Has the board adopted a conditional/additional compensation policy governing all employees?	Yes	www.capitalizealbany.com/parters/ida

Board of Directors Listing

Name	Pedo, Susan	Name	Vero, John
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	04/15/2010	Term Start Date	11/09/2011
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	No
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Owens, C Anthony	Name	Sheehan, Kathy
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	11/09/2011	Term Start Date	04/15/2010
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	No	Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	Yes

Board of Directors Listing

Name	Daley, Martin	Name	Bruce, Willard
Chair of Board	No	Chair of Board	No
If yes, Chair designated By.		If yes, Chair designated By.	
Term Start Date	04/15/2010	Term Start Date	04/15/2010
Term Expiration Date	Pleasure of Authority	Term Expiration Date	Pleasure of Authority
Title		Title	
Has the Board member appointed a designee?		Has the Board member appointed a designee?	
Ex-officio	No	Ex-officio	No
Nominated By	Local	Nominated By	Local
Appointed By	Local	Appointed By	Local
Confirmed by Senate?		Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	No	Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes	Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No	Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No	Does the Board member/designee also hold an elected or appointed municipal government position?	No

Board of Directors Listing

Name	Ferrara, Anthony
Chair of Board	Yes
If yes, Chair designated By.	Elected by Board
Term Start Date	04/15/2010
Term Expiration Date	Pleasure of Authority
Title	
Has the Board member appointed a designee?	
Ex-officio	No
Nominated By	Local
Appointed By	Local
Confirmed by Senate?	
Has the Board member/designee signed the acknowledgement of fiduciary duty?	Yes
Complied with training requirement of Section 2824?	Yes
Does the Board member/designee also hold an elected or appointed State gove	No
Does the Board member/designee also hold an elected or appointed municipal government position?	No

Staff Listing

Name	Title	Group	Department / Subsidiary	Union Name	Bargaining Unit	Full Time/ Part Time	Exempt	Base Annualized Salary	Actual salary paid to the Individual	Over time paid by Authority	Performance Bonus	Extra Pay	Other Compensation/Allowances/Adjustments	Total Compensation	Individual also paid by another entity to perform the work of the Authority	If yes, Is the payment made by a State or local government
This authority has indicated that it has no staff during the reporting period.																

Benefit Information

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for

No

Board Members

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of These Benefits	Other
Ferrara, Anthony	Board of Directors												X	
Bruce, Willard	Board of Directors												X	
Daley, Martin	Board of Directors												X	
Pedo, Susan	Board of Directors												X	
Owens, C Anthony	Board of Directors												X	
Vero, John	Board of Directors												X	
Sheehan, Kathy	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of These Benefits	Other
No Data has been entered by the Authority for this section in PARIS														

Subsidiary/Component Unit Verification

Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct? Yes
 Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Aut No

Name of Subsidiary/Component Unit	Status	Requested Changes
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Subsidiary/Component Unit Creation

Name of Subsidiary/Component Unit	Establishment Date	Entity Purpose
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Subsidiary/Component Unit Termination

Name of Subsidiary/Component Unit	Termination Date	Termination Reason	Proof of Termination
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No Data has been entered by the Authority for this section in PARIS

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$142,598
Investments	\$0
Receivables, net	\$0
Other assets	\$0
Total Current Assets	\$142,598
Noncurrent Assets	
Restricted cash and investments	\$0
Long-term receivables, net	\$0
Other assets	\$0
Capital Assets	
Land and other nondepreciable property	\$0
Buildings and equipment	\$0
Infrastructure	\$0
Accumulated depreciation	\$0
Net Capital Assets	\$0
Total Noncurrent Assets	\$0
Total Assets	\$142,598

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Liabilities

Current Liabilities

Accounts payable	\$21,000
Pension contribution payable	\$0
Other post-employment benefits	\$0
Accrued liabilities	\$0
Deferred revenues	\$0
Bonds and notes payable	\$0
Other long-term obligations due within one year	\$0
Total Current Liabilities	\$21,000

Noncurrent Liabilities

Pension contribution payable	\$0
Other post-employment benefits	\$0
Bonds and notes payable	\$0
Long Term Leases	\$0
Other long-term obligations	\$0
Total Noncurrent Liabilities	\$0

Total Liabilities **\$21,000**

Net Asset (Deficit)

Net Asset

Invested in capital assets, net of related debt	\$0
Restricted	\$0
Unrestricted	\$121,597
Total Net Assets	\$121,597

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSOperating Revenues

Charges for services	\$416,963
Rental & financing income	\$0
Other operating revenues	\$0
Total Operating Revenue	\$416,963

Operating Expenses

Salaries and wages	\$0
Other employee benefits	\$0
Professional services contracts	\$197,031
Supplies and materials	\$0
Depreciation & amortization	\$0
Other operating expenses	\$1,364
Total Operating Expenses	\$198,395

Operating Income (Loss) **\$218,568**

Nonoperating Revenues

Investment earnings	\$173
State subsidies/grants	\$0
Federal subsidies/grants	\$0
Municipal subsidies/grants	\$0
Public authority subsidies	\$0
Other nonoperating revenues	\$156
Total Nonoperating Revenue	\$329

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSNonoperating Expenses

Interest and other financing charges	\$0
Subsidies to other public authorities	\$100,401
Grants and donations	\$0
Other nonoperating expenses	\$0
Total Nonoperating Expenses	\$100,401
Income (Loss) Before Contributions	\$118,496
Capital Contributions	\$0
Change in net assets	\$118,496
Net assets (deficit) beginning of year	\$3,101
Other net assets changes	\$0
Net assets (deficit) at end of year	\$121,597

Current Debt

Question	Response
1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2. If yes, has the Authority issued any debt during the reporting period?	Yes

New Debt Issuances List by Type of Debt and Program

Type Of Debt: Conduit Debt

Program:

Project	Amounts	CUSIP Number	Bond Closing Date	Taxable Status	Issue Process	True Interest Cost	Interest Type	Term	Cost of Issuance (\$)	PACB Project	URL
College of St Rose Series 2011	Refunding	0.00	07/19/2011		Negotiated	5.72	Fixed	30	295,631.25		
	New	21,235,000.00									
	Total	21,235,000.00									
St. Peter's Hospital Series 2011	Refunding	0.00	02/03/2011		Negotiated	6.27	Fixed	27	671,650.00		
	New	34,160,000.00									
	Total	34,160,000.00									

Schedule of Authority Debt

Type of Debt	Statutory Authorization (\$)	Outstanding Start of Fiscal Year (\$)	New Debt Issuances (\$)	Debt Retired (\$)	Outstanding End of Fiscal Year (\$)
State Obligation					
State Guaranteed					
State Supported					
State Contingent Obligation					
State Moral Obligation					
Other State Funded					
Authority Obligation					
General Obligation					
Revenue					
Other Non-State Funded					
Conduit					
Conduit Debt	0.00	0.00	55,395,000.00	0.00	55,395,000.00
Conduit Debt - Pilot Increment Financing					

Real Property Acquisition/Disposal List

This Authority has indicated that it had no real property acquisitions or disposals during the reporting period.

Personal Property

This Authority has indicated that it had no personal property disposals during the reporting period.

Property Documents

Question	Response	URL (if applicable)
1. In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared?	No	
2. Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property?	Yes	www.capitalizealbany.com/parters/ida
3. In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines?	Yes	

Grant Information

No Data has been entered by the Authority for this section in PARIS

Loan Information

This Authority has indicated that it did not award any loans during the reporting period.

Bond Information

<p>1. Name of Recipient of Bond Proceeds: St. Peter's Hospital of the City of Albany Address Line1: 315 S. Manning Boulevard Address Line2: City: ALBANY State: NY Zip - Plus4: 12208 Province/Region: Country: USA Amount of Bonds Issued: \$34,160,000.00 Date Bonds Issued: 02/02/2011 Bond Interest Rate: 3 Last Year Bonds Expected to be Retired: 2038 Amount of Bond Principal retired during the reporting year: \$0 Amt of Bond Principal retired prior to reporting year: Current Amount of Bonds Outstanding: \$34,160,000 Purpose of project requiring the Bond Issuance: Commercial Property Construction/Acquisition/Revitalization/Improvement Was the bond issuance expected to result in new jobs being created? Yes If yes, how many jobs were planned to be created? 75 If yes, how many jobs have been created to date? 146 Have the bonds been fully retired? No</p>	<p>2. Name of Recipient of Bond Proceeds: The College of St. Rose Project Series 2011 Address Line1: 432 Western Avenue Address Line2: City: ALBANY State: NY Zip - Plus4: 12203 Province/Region: Country: USA Amount of Bonds Issued: \$21,235,000.00 Date Bonds Issued: 07/19/2011 Bond Interest Rate: 2 Last Year Bonds Expected to be Retired: 2041 Amount of Bond Principal retired during the reporting year: \$0 Amt of Bond Principal retired prior to reporting year: Current Amount of Bonds Outstanding: \$21,235,000 Purpose of project requiring the Bond Issuance: Commercial Property Construction/Acquisition/Revitalization/Improvement Was the bond issuance expected to result in new jobs being created? Yes If yes, how many jobs were planned to be created? 2 If yes, how many jobs have been created to date? 1 Have the bonds been fully retired? No</p>
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Additional Comments: